



2025 SESSION
POSITION PAPER

BILL NO: SB 902

COMMITTEE: Senate Finance Committee

POSITION: Support

TITLE: Health Insurance - Access to Nonparticipating Providers - Referrals, Additional Assistance, and Coverage

BILL ANALYSIS

SB 902 - Health Insurance - Access to Nonparticipating Providers - Referrals, Additional Assistance, and Coverage repeals the termination date for certain provisions of law related to referrals and reimbursement of specialists and nonphysician specialists who are not part of an insurer's provider panel. The bill also requires that a certain referral procedure be established and implemented by health insurers, nonprofit health service plans, and health maintenance organizations and requires the carrier to help a member in identifying and arranging coverage for a specialist or nonphysician specialist for treatment of mental health or substance use disorder services. SB 902 prohibits carriers from imposing prior authorization requirements for scheduling, reimbursing, or continuing an established treatment plan by certain nonparticipating providers. The bill requires the Maryland Health Care Commission to establish certain reimbursement rates for nonparticipating providers; and generally, relates to access to nonparticipating providers.

POSITION AND RATIONALE

The Maryland Health Care Commission (MHCC) supports SB 902. The bill requires MHCC to establish a reimbursement rate formula no later than January 1, 2026, for nonparticipating providers who deliver mental or substance use disorder treatment.

The bill also requires MHCC to hold public meetings with carriers, mental health and substance use disorder providers, consumers of mental health and substance use disorder services, and other interested parties to determine the reimbursement formula.

The MHCC has worked with stakeholders to develop the current out of network formula, which largely rely on carriers' in-network rates and the Medicare Fee Schedule to derive out-of-network (OON) rates. More recently, the MHCC compared the out-of-network payment formula for PPOs and HMOs. Our study concluded that the PPO OON rates were more favorable than the HMO OON rates that applied to nonparticipating providers. The study notes that even if the payment formula were aligned, PPO OON rates would be higher because PPO in-network rates are usually higher than HMO in-network rates.

Earlier this fall, the MHCC released a report on payment for [behavioral health services delivered in-person and via telehealth](#). We understand that legislation implementing those [recommendations](#) will be introduced this session.

The Behavioral Health Work Force Assessment study, [Investing in Maryland's Behavioral Health Talent](#), was required by [Senate Bill 283 \(2024\) that established the Behavioral Health Workforce Investment Fund \(the Fund\)](#). Strategy 1 in that report recommended elevating reimbursement for behavioral health professionals.

STRATEGY 1 – PROVIDE COMPETITIVE COMPENSATION: Paying a living wage and keeping pace with other settings (e.g., hospitals, schools, telehealth providers, private practice) is foundational to addressing the shortage. Other strategies will have limited impact if professionals and students perceive current and expected future wages for careers in BH as inadequate.

The MHCC does not have a specific solution on a new OON formula for behavioral health services. The MHCC is committed to working with providers and payers to develop a formula that would be acceptable and workable for all stakeholders.

For the stated reasons above, we ask for a favorable report on SB 902.

