

SB111 - MMAP - Prescription to Treat Serious Menta

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Position: FAV

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Baltimore District



Written Testimony

Senate Bill 111 - Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness

Finance Committee – January 29, 2025
Support

Background: Senate Bill 111 would prohibit the Maryland Medical Assistance Program and certain insurers, nonprofit health service plans, health maintenance organizations, and managed care organizations from applying a prior authorization requirement, step therapy protocol, or fail-first protocol for prescription drugs used to treat certain mental illnesses of certain insureds and enrollees.

Written Comments: The Baltimore Jewish Council represents The Associated: Jewish Federation of Baltimore and all of its agencies. This includes Jewish Community Services (JCS), which offers programs and services for people of all ages and backgrounds, helping them achieve their goals, enhance their wellbeing, and maximize their independence. JCS currently provides therapy and medication management to a large population of clients with both commercial and public insurance.

“Step therapy or fail-first protocol” means a protocol established by a carrier that requires a prescription drug or sequence of prescription drugs to be used by an insured or enrollee before a prescription drug ordered by a prescriber is covered. Step therapy protocols can require patients to try less effective medications before more effective ones. Fail-first protocols and prior authorization requirements can delay treatment and increase stress and frustration for patients. Inappropriate use of step therapy protocols can lead to adverse reactions and delay necessary treatment. This can increase health care costs, especially for patients with rare diseases.

This bill would ensure that a prior authorization requirement, fail-first protocol, or step therapy protocol may not be imposed for a prescription drug used to treat a diagnosis of bipolar disorder, schizophrenia, major depression, post-traumatic stress disorder, or a medication-induced movement disorder associated with the treatment of a serious mental illness, protecting these individuals from prolonging their course of treatment with potential negative effects.

For these reasons, the Baltimore Jewish Councils asks for a favorable report on SB111.

The Baltimore Jewish Council, a coalition of central Maryland Jewish organizations and congregations, advocates at all levels of government, on a variety of social welfare, economic and religious concerns, to protect and promote the interests of The Associated Jewish Community Federation of Baltimore, its agencies and the Greater Baltimore Jewish community.

BALTIMORE JEWISH COUNCIL

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Member of the Jewish Council for Public Affairs

Baltimore Jewish Council is an agency of The Associated



SB111.MPhA.fin.pdf

Uploaded by: Aliyah Horton

Position: FAV



Date: January 29, 2025

To: The Honorable Pamela Beidle, Chair, Senate Finance Committee

From: Aliyah N. Horton, FASAE, CAE, Executive Director, 240-688-7808

Cc: Members, Senate Finance Committee

Re: **FAVORABLE – SB 111 Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness**

The Maryland Pharmacists Association and the Maryland Pharmacy Coalition recommend a **FAVORABLE report of SB111 - Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness.**

According to NAMI Maryland, “Marylander’s are 10 times more likely to be forced to out-of-network mental health care than for primary health care – making it difficult to find care and less affordable due to higher out-of-pocket costs.”

Patients are then compounded with the challenge of barriers within their own plans to access medication that they need. The bill provides a patient-centered, clinically responsible approach to support mental healthcare, while also reducing access issues for patients and administrative burdens for pharmacies.

1. Patient Care Improvement

- Pharmacists are typically the healthcare provider who must communicate the delay in access to medication. Patients often have no understanding of why they cannot receive the medication they need.
- Eliminates unnecessary bureaucratic barriers and administrative burdens that delay critical mental health interventions.
- Supports a more direct path to patient treatment.

2. Treatment Accessibility

- Patients treated and stabilized in in-patient facilities may be denied access to that same medication when the prescription is presented at the pharmacy.
- Prevents mandated trials of less effective medications before accessing recommended treatments.
- Supports patient-specific, personalized medication management.

3. Clinical Evidence Alignment

- Prevents one-size-fits-all protocols that can compromise patient outcomes.

4. Cost-Effectiveness

- Supports potential long-term healthcare savings by mitigating treatment delays, emergency room visits and other economic impacts on the individual and caregivers.
- Reduces administrative costs associated with multiple medication trials, particularly when there is evidence that a protocol is working, and the patient is stabilized.

Maryland Pharmacy Coalition (MPC) provides a forum for discussion and understanding between Maryland's professional pharmacy associations on issues impacting the practice of pharmacy and the public's health. MPC strengthens relationships between pharmacy associations in the state and encourages collaborative efforts to benefit the pharmacists and patients of Maryland.

Full Members

- Maryland Pharmacists Association
- American Society of Consultant Pharmacists – Maryland Chapter
- Maryland Pharmaceutical Society
- Maryland Society of Health System Pharmacists
- University of Maryland Baltimore School of Pharmacy Student Government Association
- University of Maryland Eastern Shore School of Pharmacy Student Government Association
- Notre Dame of Maryland University School of Pharmacy Student Government Association

Affiliate Members (non-voting)

- University of Maryland Baltimore School of Pharmacy
- University of Maryland Eastern Shore School of Pharmacy
- Notre Dame of Maryland University School of Pharmacy
- Maryland Association of Chain Drug Stores

SB 111 - Coverage for Antipsychotic Medications-Pa

Uploaded by: Andrea Mansfield

Position: FAV

Coverage for Antipsychotic Medications

Patients and Prescribers Prevail

PEOPLE WITH SCHIZOPHRENIA

- Have 13-15 years less life expectancy¹
- Are 20x more likely to commit suicide¹
- Are 4-6x more likely to be victimized²

The estimated cost of illness was over \$280 billion in 2020³
Schizophrenia is the 15th leading cause of disability worldwide⁴

PEOPLE WITH BI-POLAR DISORDER

- Have 13 years shorter life expectancy⁵
- Have 20-30x higher risk for suicide⁶

Total estimated cost of illness was over \$195 billion in 2018⁷
Bi-polar Disorder is the 25th leading cause of disability worldwide⁴



ARREST & INCARCERATION

2 MILLION PEOPLE
with a serious mental illness
are **JAILED** annually.⁸

EMERGENCY CARE

Over 380,000 Emergency Department visits annually involved adults with schizophrenia.⁴ About 50% of these visits led to hospitalization.⁹

HOMELESSNESS

Over 1 in 5 homeless persons are living with a serious mental illness.¹⁰

People with serious mental illnesses including schizophrenia and bi-polar 1 disorder **should not have to fail first** on medications preferred by the payer. **Fail first policies** are associated with **reduced medication adherence, increased inpatient costs, and increased medical costs.**^{11,12} Fail first policies place burdens on patients and providers and undermine patient care.^{13,14}

PROPOSAL

Public and commercial health plans should be prohibited from applying fail first policies on medications approved by the FDA for the treatment of serious mental illnesses including schizophrenia and bi-polar 1 disorder.

CITATIONS (1) Hjorthøj, C. et al, 2017. Years of potential life lost and life expectancy in schizophrenia: a systematic review and meta-analysis. *The Lancet Psychiatry*, 4(4), pp.295-301. (2) de Vries, B. et al, 2019. Prevalence rate and risk factors of victimization in adult patients with a psychotic disorder: a systematic review and meta-analysis. *Schizophrenia Bulletin*, 45(1), pp.114-126. (3) Schizophrenia and Psychosis Action Alliance (2021). *Societal Costs of Schizophrenia and Related Disorders*. (4) Vos, T. et al. 2017. "Global, regional, and national incidence, prevalence, and years lived with disability for 328 diseases and injuries for 195 countries, 1990–2016: a systematic analysis for the Global Burden of Disease Study 2016." *The Lancet*, pp. 1211-1259. (5) Chan JKN, Tong CHY, Wong CSM, et al. Life expectancy and years of potential life lost in bipolar disorder: systematic review and meta-analysis. *Br J Psychiatry*. 2022;1-10. (6) Miller, J.N., Black, D.W. (2020). Bipolar Disorder and Suicide: a Review. *Curr Psychiatry Rep* 22, 6. (7) Bessonova, L. et al., 2020. The economic burden of bipolar disorder in the United States: a systematic literature review. *Clinicoeconomic*s and Outcomes Research: CEOR, 12, p.481. (8) US Dept of Health and Human Services, SAMHSA. Interdepartmental Serious Mental Illness Coordinating Committee, The Way Forward: Federal Action for a System That Works for All People Living With SMI and SED and Their Families and Caregivers (Report to Congress), p. 1. (9) HHS. NCHS. Emergency department visits related to schizophrenia among adults aged 18–64: United States, 2009–2011. NCHS data brief, no 215. Hyattsville, MD: National Center for Health Statistics. 2015. (10) US HUD. HUD 2020 Continuum of Care Homeless Assistance Programs *Homeless Populations*. 2022. (11) Seabury, S. et al. (2014). Formulary Restrictions on Atypical Antipsychotics: Impact on Costs for Patients With Schizophrenia and Bipolar Disorder in Medicaid. *American Journal of Managed Care*, 20 (2), pages e52-e60. (12) Rajagopalan, K. et al., 2016. Review of outcomes associated with restricted access to atypical antipsychotics. *The American journal of managed care*, 22(6), pp.e208-e214. (13) Ibid. (14) Barnett, B.S. and Bodkin, J.A., 2020. A survey of American psychiatrists concerning medication prior authorization requirements. *The Journal of Nervous and Mental Disease*, 208(7), pp.566-573.

SB 111-Cost Savings Associated with No Formulary R

Uploaded by: Andrea Mansfield

Position: FAV

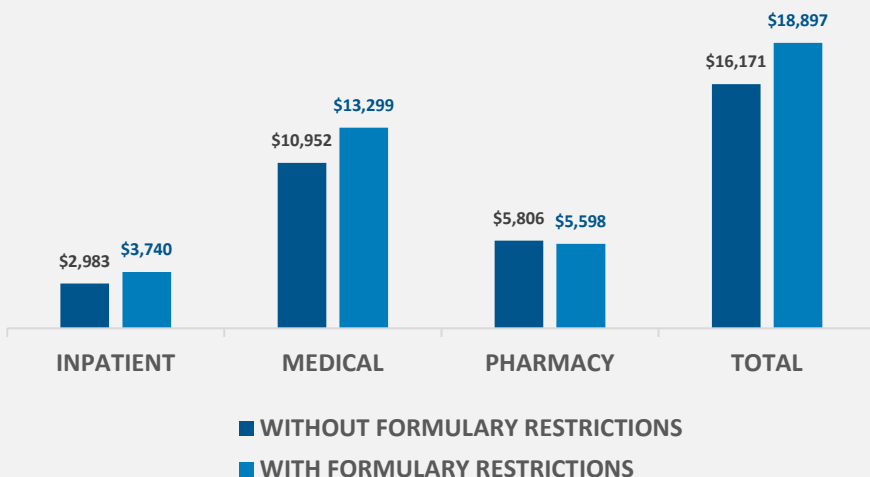
HEALTH PLAN FORMULARY RESTRICTIONS ON MEDICATIONS FOR SERIOUS MENTAL ILLNESS

People living with serious mental illnesses (SMI), such as schizophrenia and bipolar disorder, should not have to “fail first” on medications preferred by the payer. Due to the nature of SMI, adherence to medication is already a significant challenge¹, and more than 50% of psychiatrists surveyed said formulary restrictions are most frequent roadblock to optimal treatment.²

Commercial and public health plan formulary restrictions, including “prior authorization” (PA) and “step therapy protocol” requirements, are designed to control health plan costs. However, these policies based primarily on cost savings rather than on clinical considerations may diminish access to necessary medications and ultimately result in significant human, economic, and social costs.³

Predicted Expenditures With and Without Formulary Restrictions for Atypical

Antipsychotics: Patients with Schizophrenia⁴



Applying formulary restrictions to atypical antipsychotics is associated with higher total medical expenditures for patients with schizophrenia and bipolar disorder in Medicaid.⁵



Prior authorization requirements for atypical antipsychotics are associated with a **22% increase in the likelihood of imprisonment**.⁶



Patients with schizophrenia subject to formulary restrictions **were more likely to be hospitalized with 23% higher inpatient costs**. Similar effects were observed for patients with bipolar disorder.⁷



Patients who discontinued or temporarily stopped taking their medications because of prescription drug coverage, utilization management, or copayment issues also had **3.2 times greater odds of being homeless**.⁸

Policymakers should prohibit health plans from establishing formulary restrictions, such as “prior authorizations” or “step therapy protocols,” on medications treating serious mental illness.

1. Higashi, Kyoko et al. “Medication adherence in schizophrenia: factors influencing adherence and consequences of nonadherence, a systematic literature review.” Therapeutic advances in psychopharmacology vol. 3,4 (2013): 200-18. doi:10.1177/2045125312474019. 2. Psychiatrists’ Perceptions of Insurance-Related Medication Access Barriers, Ruth S. Shim, Cathy Lally, Rebecca Farley, Chuck Ingoglia, and Benjamin G. Druss, Psychiatric Services 2014 65:11, 1296-1296. 3. Medicaid Prescription Drug Policies and Medication Access and Continuity: Findings From Ten States. Joyce C. West, Ph.D., M.P.P., Joshua E. Wilk, Ph.D., Donald S. Rae, M.A., Irvin S. Muszynski, J.D., Maritza Rubio Stipek, Sc.D., Carol L. Alter, M.D., Karen E. Sanders, M.S., Stephen Crystal, Ph.D., and Darrel A. Regier, M.D., M.P.H. Psychiatric Services 2009 60:5, 601-610. 4. Seabury et al., “Formulary Restrictions on Atypical Antipsychotics: Impact on Costs for Patients with Schizophrenia and Bipolar Disorder in Medicaid,” American Journal of Managed Care. 20(2): e52-e60. 2014. 5. *Id.* 4. 6. Medicaid Prior Authorization Policies and Imprisonment Among Patients With Schizophrenia, Dana Goldman, PhD, John Fastenau, MPH, RPH, Riad Dirani, PhD, Eric Helland, PhD, Geoff Joyce, PhD, Ryan Conrad, PhD, Darius Lakdawalla, PhD, The American Journal of Managed Care, July 2014, Volume 20, Issue 7. 7. *Id.* 4. 8. *Id.* 3.

SB111.pdf

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Position: FAV

MARYLAND PSYCHIATRIC SOCIETY



January 25, 2025

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Geetha Jayaram, M.D.

The Honorable Pamela Beidle
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401

RE: Support – SB 111: Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness

Dear Chairman Beidle and Honorable Members of the Committee:

The Maryland Psychiatric Society (MPS) and the Washington Psychiatric Society (WPS) are state medical organizations whose physician members specialize in diagnosing, treating, and preventing mental illnesses, including substance use disorders. Formed more than sixty-five years ago to support the needs of psychiatrists and their patients, both organizations work to ensure available, accessible, and comprehensive quality mental health resources for all Maryland citizens; and strive through public education to dispel the stigma and discrimination of those suffering from a mental illness. As the district branches of the American Psychiatric Association covering the state of Maryland, MPS and WPS represent over 1100 psychiatrists and physicians currently in psychiatric training.

MPS/WPS strongly support SB 111. Step therapy, also known as "fail first" protocols, is a practice used by health insurers and pharmacy benefit managers (PBMs) to control the cost of prescription medications by requiring patients to try less expensive treatments before they are allowed to receive more costly treatments. While the intention behind step therapy may be to reduce costs, it can sometimes have negative consequences for patients, especially for individuals being treated for a mental illness and/or substance use disorder. There are several reasons, therefore, why this committee should pass SB 111, and step therapy or fail-first protocols should be banned in the context of mental health treatment:

- **Delayed Treatment:** When patients are required to try less expensive treatments before being prescribed more expensive ones, it can lead to delays in treatment, which can be detrimental to patients' health. For example, suppose a patient with schizophrenia is required to try a less effective medication before being prescribed a more effective one. In that case, the patient's symptoms may worsen during this delay. When a patient with a mental health disorder decompensates, the patient could hurt himself or others, which could lead to a loss of liberty either through involuntary commitment or incarceration.
- **Adverse Effects:** In some cases, patients may have adverse reactions to the less expensive treatments they must try first. This can lead to unnecessary suffering and may even result in hospitalization or other medical complications.
- **Medical Necessity:** Step therapy protocols may not consider individual patients' unique needs. A medication that works well for one patient may not work for another, and patients may need to try multiple medications before finding one that works for them. Step therapy protocols can limit patient access to necessary medications based on cost considerations rather than medical necessity.
- **Physician Discretion:** Physicians are trained to make treatment decisions based on their patient's needs and medical history. Step therapy protocols may undermine physicians' ability to make the best patient treatment decisions.

In summary, step therapy or fail-first protocols can have negative consequences for patients, including delayed treatment, adverse effects, limitations on medical necessity, and a reduction in physician discretion. As such, MPS and WPS ask the committee for a favorable report on SB 111. If you have any questions regarding this testimony, please contact Lisa Harris Jones at lisa.jones@mdlobbyist.com.

Respectfully submitted,
The Maryland Psychiatric Society and the Washington Psychiatric Society
Legislative Action Committee

Children's National Testimony - SB 111 - Laura Wil

Uploaded by: Austin Morris

Position: FAV



111 Michigan Ave NW
Washington, DC 20010-2916
ChildrensNational.org

**Testimony of Laura Willing, MD, MEd, DFAACAP
Co-Director, Child and Adolescent Anxiety Program
Associate Program Director, Child and Adolescent Psychiatry Fellowship
Medical Director for Mental Health Policy and Advocacy, Community Mental Health CORE
Assistant Professor, Department of Psychiatry & Behavioral Sciences
Children's National Hospital**

**SB 111: Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First
Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness
Position: FAVORABLE
January 29, 2025
Senate Finance Committee**

Chair Beidle, Vice Chair Hayes and members of the committee, thank you for the opportunity to provide written testimony in favor of Senate Bill 111. My name is Dr. Laura Willing, and I am a psychiatrist at Children's National Hospital. I am also the Medical Director for Mental Health Policy and Advocacy in our Community Mental Health CORE. The Community Mental Health CORE aims to improve access to and utilization of high-quality behavioral health services for children and families, advance racial and health equity, and promote sustainability and system-level change through research, policy, advocacy, and community engagement.¹ Children's National has been serving the nation's children since 1870. Nearly 60% of our patients are residents of Maryland, and we maintain a network of community-based pediatric practices, surgery centers and regional outpatient centers in Maryland.

Children's National strongly supports SB111 with the stated purpose of prohibiting health plans from requiring prior authorization, step therapy protocol, or fail-first protocol for prescription drugs used to treat certain mental illnesses. The benefits of this legislation include reducing provider administrative burden, ensuring patients with serious mental illness are given the most effective treatments in accordance with the current evidence-base, and eliminating excessive delays in care while patients wait for approvals.

Children's National has seen an upsurge of children and adolescents presenting with serious mental illness, such as major depression, bipolar disorder, and psychosis. While our psychiatrists are fully qualified and prepared to address the needs of these patients and recommend the best course of treatment, many times involving prescription medications, we are sometimes limited in what we can prescribe due to prior authorization and step therapy

¹ For more information on the Community Mental health CORE, see <https://childrensnational.org/advocacy-and-outreach/child-health-advocacy-institute/community-mental-health>.

requirements. According to a study conducted by the American Medical Association, almost 90% of physicians surveyed reported that prior authorization leads to higher overall utilization of health care resources, while 69% reported ineffective initial treatments – due to step therapy requirements.² The impact can be even more detrimental when addressing children's mental health, as it is often an under resourced discipline and patient population. For example, I recall a family of a young person who was not able to pick up a much-needed prescription after being hospitalized for serious safety concerns due to mental illness. The prescription required prior authorization, and because they had not yet established care with an outpatient psychiatrist, they came to the Children's National Emergency Department for help getting the prescription filled. In addition to the detrimental impact to the patient, these types of roadblocks can lead to overutilization of hospital Emergency Departments, contributing to higher Emergency Department wait times for other patients.

Children's National strongly supports SB111, including for children and adolescents, and believes it would have a positive impact on our patients and their families. Children and adolescents are a special population. Child psychiatrists work hard to find the best medicine for the individual child for what can be debilitating, chronic illnesses. When a young person is stable on a medication, they should not be required to try other medications if their insurance plan changes the formulary. This may result in extra office visits to cross-titrate medications, decompensation of their serious mental illness, and even hospitalization.

We commend the Senate Finance Committee for its inclusion of children in the step therapy provision and would encourage the committee to ensure children are included in the provision on prior authorization. As the youth mental health crisis continues to affect children and their families across Maryland, it is crucial that children be afforded the same protections as adults and can access psychiatric medications in a timely manner³.

I applaud Senator Lam for introducing this important legislation, which will have life-long benefits for our state's youngest residents and their families and respectfully request a favorable report on Senate Bill 111. Thank you for the opportunity to submit testimony. I am happy to respond to any questions you may have.

For more information, please contact:

Austin Morris, Government Affairs Manager
almorris@childrensnational.org

² [Prior authorization delays care—and increases health care costs | American Medical Association](#)

³ [AAP, AACAP, CHA declare national emergency in children's mental health | AAP News | American Academy of Pediatrics](#)

AfPA_MD_SB_111.pdf

Uploaded by: Casey McPherson

Position: FAV



**Alliance for
Patient Access**

January 27, 2025

Senator Pamela G. Beidle
Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

Senator Antonio L. Hayes
Vice-Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

Re: SB 111 – Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness

Dear Chair Beidle and Vice-Chair Hayes:

On behalf of the Alliance for Patient Access, I am writing to express support for SB 111 which will increase patients' access to treatments for serious mental illness. This bill will remove harmful utilization management tactics, including unnecessary step therapy requirements, which prevent people with serious mental illness from obtaining their prescribed medications.

Founded in 2006, AfPA is a national network of policy-minded health care providers who advocate for patient-centered care. AfPA supports policies that reinforce shared decision-making, promote personalized care and protect the clinician-patient relationship. Motivated by these principles, AfPA members participate in clinician working groups, advocacy initiatives, stakeholder coalitions and the creation of educational materials. AfPA's Mental Health Working Group convenes clinicians focused on ensuring policy matches the emerging state of mental health care.

This legislation seeks to improve access to prescription medications for patients living with serious mental illness by prohibiting managed care organizations, Maryland Medical Assistance Programs, nonprofit health plans, and health maintenance organizations from using onerous utilization management tactics, such as step therapy and prior authorization.

Step therapy is a tactic used by many payers that requires patients to try and fail insurer preferred options often based on cost, prior to receiving approval for the preferred treatment as dictated by the prescribing clinician. Insurers may require failure on more than one medication, leading to significant delays before getting to a successful therapy. For mental health patients, "fail first" policies can have a devastating impact. Many older, first-generation antipsychotics have several negative side effects, including but not limited to weight gain, seizures, tardive dyskinesia and sedation.¹

Prior authorization is another tactic used by insurance companies with a similar goal. Before receiving access to the prescribed treatment, insurers often require the clinician to complete prior authorization paperwork justifying the treatment. This often leads to treatment delays for days or

¹ <https://www.goodtherapy.org/drugs/anti-psychotics.html>

even weeks. For patients with SMI, these delays can have a devastating impact, leading to exacerbation of symptoms.

This legislation is critically important, as people living with mental health conditions often do not have time to wait for insurance hurdles to be resolved. Studies of state Medicaid programs have found that lack of access to SMI treatment contributes to a higher rate of negative outcomes, including increased emergency room visits, hospitalizations, homelessness or incarceration. In addition, these negative outcomes are particularly burdensome in communities of color.² Improving patient access to these medications has the potential to reduce financial and administrative burdens on the health care system, but other social institutions, as well.

People with untreated SMI run the risk of several serious, negative outcomes. A 2014 study found that homeless individuals with SMI have high non-adherence rates: 47.1 percent for psychiatric medications and 70 percent for schizophrenia medications.³ Medication access and adherence are key to positive outcomes, including stable housing. Adherence is instrumental in stabilizing those living with SMI, which can prevent homelessness and assist patients transitioning into housing. The provisions of this legislation will make it easier for individuals, who may have historically faced issues related to continuity of care, to have consistent access to much-needed treatments. Last, but not insignificant, people living with SMI who have been stabilized because of access to critical medications will be better equipped to tend to their health care and safety needs.

It is for these reasons that the Alliance for Patient Access is seeking these modest, but impactful changes to the Medicaid system that would significantly benefit beneficiaries with SMI. We respectfully request your support for SB 111 if you have any questions, please contact Casey McPherson at cmcpherson@allianceforpatientaccess.org.

Sincerely,



Executive Director, Alliance for Patient Access

CC:

Sen. Arthur Ellis

Sen. Stephen Hershey, Jr

Sen. Clarence Lam

Sen. Justin Ready

Sen. Dawn Gile

Sen. Benjamin Kramer

Sen. Johnny Mautz

Sen. Alonzo Washington

² <https://jamanetwork.com/journals/jama-health-forum/fullarticle/2793285>

³ <https://pubs.lib.umn.edu/index.php/innovations/article/view/342>

SB0111_Prior_Authorization_Prescription_to_Treat S

Uploaded by: Cecilia Plante

Position: FAV



TESTIMONY FOR SB0111

Maryland Medical Assistance Program and Health Insurance – Step Therapy, Fail-First Protocols, and Prior Authorization – Prescription to Treat Serious Mental Illness

Bill Sponsor: Senator Lam

Committee: Finance

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of SB0111 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members.

Our members are very well aware that health insurers are not in the business to help people with medical problems. They are in the business of making money. We also know that we pay more and get less for medical care than any country in the world because of this.

One of the more recent ways that health insurers have devised to deny care in order to make more money is to require step therapies or prior authorizations, or fail-first protocols before they will pay for prescription drugs. These obstacles are designed to ensure that, for expensive medications, the patient must wait as long as possible in order to receive any real relief.

This bill, if enacted, would halt this process for people with serious mental illness. The bill specifically precludes health insurers from requiring step therapies, fail-first protocols, or prior authorizations for prescriptions for people with the following mental illnesses –

- Bipolar disorder
- Schizophrenia
- Major depression
- Post-traumatic stress disorder
- A medicine-induced movement disorder associated with the treatment of a serious mental illness

This is a great first step in trying to ensure that people in this state get the care they need. We support this bill and recommend a **FAVORABLE** report in committee.

SB0111 - Step Therapy, Fail-First Protocols, and P

Uploaded by: Charlotte Hoffman

Position: FAV



Charlotte Persephone Hoffman, Esq. (they/she)
Policy Director
charlotte@transmaryland.org

Wren Massey (he/they)
Policy Intern

Wednesday 29, 2025

The Honorable Biedle
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

Testimony of Trans Maryland

IN SUPPORT OF

Senate Bill #111: Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness

To the Chair, Vice Chair, and esteemed members of the Senate Finance Committee:

Trans Maryland is a multi-racial, multi-gender, trans-led community power building organization dedicated to Maryland's trans community. Trans Maryland believes in protecting the rights of all Marylanders, particularly transgender community members, to access safe, inclusive, and appropriate healthcare, including access to efficacious treatments for mental health.

Under step therapy or fail-first protocols, insurance companies will not pay for coverage of prescribed medication or treatment until after the patient has first attempted another, typically cheaper, treatment instead. While step therapy and fail-first protocols are not uncommon in many prescription drug formularies, they are particularly common—and especially pernicious—in treatments for mental health, where they have the effect of delaying and denying medically-necessary mental health care for months or years. In far too many cases, doctors and patients already know that a specific treatment will not work (such as when a patient has already tried the medication previously while under a different insurance plan), but are required to go through the motions regardless.

This not only results in poorer overall health outcomes, it also contributes to significant wasted time by already over-worked medical providers, who are forced to jump through insurance company hoops, as well as the decreased productivity and decreased standard of living of the patient who is being denied care that actually works.

As these practices are not in the best interest of the patient, of the medical providers, or of the Maryland economy writ large, we urge a favorable report on Senate Bill 111.

SB0111_MHAMD_FAV.pdf

Uploaded by: Dan Martin

Position: FAV

**Senate Bill 111 Maryland Medical Assistance Program and Health Insurance – Step Therapy,
Fail-First Protocols, and Prior Authorization – Prescription to Treat Serious Mental Illness**

Finance Committee

January 29, 2025

Position: SUPPORT

Mental Health Association of Maryland (MHAMD) is a nonprofit education and advocacy organization that brings together consumers, families, clinicians, advocates and concerned citizens for unified action in all aspects of mental health and substance use disorders (collectively referred to as behavioral health). We appreciate the opportunity to provide this testimony in support of Senate Bill 111.

SB 111 prohibits health insurance companies and Maryland Medicaid from applying step therapy, fail-first protocols and prior authorization requirements to medications used to treat serious mental illness.

The treatment of illnesses outlined in this bill – bipolar disorder, schizophrenia, major depression, and post-traumatic stress disorder – commonly includes a variety of psychiatric medications. These medications are used to manage the symptoms of these illnesses, maintain social functioning, avoid adverse outcomes and achieve recovery. Serious mental illness can be chronic and potentially disabling, so it is important to identify the proper medication regimen. This is a decision that should be made by the individual and their provider in consideration of the effects certain medications may have on that individual.

The practices this bill seeks to prohibit are used by health insurance companies to control the cost of prescription medications. They delay treatment and require patients to try – and fail – on insurer-preferred medications before receiving the medication their health care provider has actually recommended. This process can take weeks or months and have serious negative health consequences, especially for individuals living with serious mental illness. While this may reduce costs for the insurers, it often results in an escalation of symptoms, a worsening of illness and a transfer of costs to the taxpayer in the form of preventable hospital emergency department utilization, homelessness and criminal justice involvement.

Step therapy, fail-first protocols and prior authorization requirements undermine treatment decisions that are based on patient needs and medical history. This can result in negative health outcomes and increased costs. For these reasons, MHAMD supports SB 111 and urges a favorable report.

For more information, please contact Dan Martin at (410) 978-8865

SB 111_Medicaid Step Therapy Fail First_FAVORABLE.

Uploaded by: Dan Rabbitt

Position: FAV



January 29, 2025

**Senate Finance Committee
TESTIMONY IN SUPPORT**

SB 111 - Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness

Behavioral Health System Baltimore (BHSB) is a nonprofit organization that serves as the local behavioral health authority (LBHA) for Baltimore City. BHSB works to increase access to a full range of quality behavioral health (mental health and substance use) services and advocates for innovative approaches to prevention, early intervention, treatment and recovery for individuals, families, and communities. Baltimore City represents nearly 35 percent of the public behavioral health system in Maryland, serving over 100,000 people with mental illness and substance use disorders (collectively referred to as “behavioral health”) annually.

Behavioral Health System Baltimore strongly supports SB 111 - Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription Drugs to Treat Serious Mental Illness. This bill would provide crucial protections to Maryland Medicaid beneficiaries being treated for serious mental illness and help prevent costly disruptions in care.

The treatment of bipolar disorder, schizophrenia, major depression, and post-traumatic stress disorder (collectively known as ‘serious mental illness’) relies on the use of a variety of psychiatric medications. These medications are necessary to manage the symptoms of these illnesses, maintain social functioning, avoid adverse outcomes like justice-involvement, and ultimately achieve recovery.^{1,2} Serious mental illness can be chronic and potentially disabling, so it is critical to identify the proper medication regimen. The effectiveness of psychiatric medications, however, can vary significantly from person to person.³ Any interruption of one’s medication regimen can have serious long-term consequences of the individual’s symptom management and social functioning.⁴ This must be avoided if at all possible because these consequences can be long lasting even if the individual eventually gets back on the previous effective medication regimen.

As the LBHA for Baltimore City, BHSB oversees many programs to treat individuals diagnosed with serious mental illness. These programs such as Assertive Community Treatment (ACT) and Outpatient Civil Commitment (OCC) demand high-intensity services and relatively high levels of funding. This level of intensity is needed to maintain stability and medication compliance. Under no circumstances should an individual with serious mental illness have their medications disrupted due to insurance carrier preference for medications. That decision should be made between the individual and their provider and must consider the specific medications that work best for that individual. Any cost savings that could be achieved by requiring a preferred medication will be more than offset by costs due to crisis and decompensation. These conditions are too severe and the consequences of a mental health crisis too great to use fail first or step therapy approaches to psychiatric treatment.

Insurance carrier prior authorization and utilization review policies must not disrupt the medication regimen decided upon by the individual and their provider. **BHSB urges the Senate Finance Committee to support SB 111.**

For more information, please contact BHSB Policy Director Dan Rabbitt at 443-401-6142

References:

¹ Agency for Healthcare Research and Quality (AHRQ). "Treatments for Schizophrenia in Adults: A Systematic Review." AHRQ Publication No. 17(18)-EHC031-EF. October 2017. Available at

https://effectivehealthcare.ahrq.gov/sites/default/files/pdf/schizophrenia-adult_research-2017.pdf

² AHRQ. "Treatments for Bipolar Disorder in Adults: A Systematic Review." AHRQ Publication No. 18-EHC012-EF.

August 2018. Available at https://effectivehealthcare.ahrq.gov/sites/default/files/related_files/cer-208-bipolar-report.pdf

³ McCutcheon RA, Pillinger T, Efthimiou O, Maslej M, Mulsant BH, Young AH, Cipriani A, Howes OD. "Reappraising the variability of effects of antipsychotic medication in schizophrenia: a meta-analysis." *World Psychiatry*. 2022 Jun;21(2):287-294. Available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9077611/>.

⁴ Semahegn A, Torpey K, Manu A, Assefa N, Tesfaye G, Ankomah A. Psychotropic medication non-adherence and its associated factors among patients with major psychiatric disorders: a systematic review and meta-analysis. *Syst Rev*. 2020 Jan 16;9(1):17. Available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6966860/>.

SB111 - Favorable - 2025.pdf

Uploaded by: Debi Jasen

Position: FAV

Senate Bill 111 - Finance Committee - FAVORABLE

Chair, Vice Chair, and Members of the Finance Committee;

My brother is schizophrenic. He was diagnosed nearly 30 years ago, and has been in and out of hospitals since then. He has also repeatedly been evicted and homeless, and has been in jail a few times. He was found not criminally responsible for some actions in Maryland, and treated as such by a judge in a state that doesn't have an NCR designation. My brother has had more psychotic episodes than I can count, has repeatedly threatened and assaulted others, and has attempted suicide a few times.

My brother's schizophrenia is very severe and extremely difficult to effectively treat. As he gets older, it's even harder for psychiatrists to find medications that make the voices in his head less overwhelming (nothing silences them,) that calm him, and that keep him from experiencing visual and tactile hallucinations. Many psychiatrists have the knowledge and experience to find the best treatments for schizophrenia, and wouldn't see the point in going through less effective treatments for people who are as severely affected as my brother. Additionally, expecting someone who's having a schizophrenic episode to be able to tell a new psychiatrist which meds they have already tried or to even remember their previous doctors' names for the new one to contact (or to want for a new doctor to contact them if they're feeling paranoid) is unrealistic to the point of absurd. Once a new psychiatrist can ascertain the severity of the schizophrenia, they should be able to prescribe the medication that they think will work the best for the symptoms, rather than allow their patient to continue to suffer.

I implore you to give Senate Bill 111 a favorable report. Thank you for your consideration.

Sincerely,
Debi Jasen
Pasadena, MD

SB111 Step Therapy LOS Final1.pdf

Uploaded by: Irnise Williams

Position: FAV



CAROLYN A. QUATTROCKI
Chief Deputy Attorney General

LEONARD J. HOWIE III
Deputy Attorney General

CARRIE J. WILLIAMS
Deputy Attorney General

ZENITA WICKHAM HURLEY
Chief, Equity, Policy, and Engagement

STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION
HEALTH EDUCATION AND ADVOCACY UNIT

ANTHONY G. BROWN
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CHRISTIAN E. BARRERA
Chief Operating Officer

IRNISE F. WILLIAMS
Assistant Attorney General

January 27, 2025

To: The Honorable, Pamela Beidle, Chair
Senate Finance Committee

From: Irnise F. Williams, Deputy Director, Health Education and Advocacy Unit

Re: Senate Bill 0111-Maryland Medical Assistance Program and Health Insurance -
Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat
Serious Mental Illness- **SUPPORT**

The Health Education and Advocacy Unit supports Senate Bill 111, which will decrease barriers to consumers who are diagnosed with some of the most severe mental illnesses. A [2024 MHCC report](#) found that nearly 48 percent of insured adults noted their insurance required prior authorization in the last year. About 67 percent of these adults indicated that prior authorization delayed access to prescribed medications and medical services. According to a 2023 [KFF survey](#), 26% of people who sought treatment for or took prescription medication for a mental health condition in the past year (e.g., depression, anxiety) experienced prior authorization problems, compared to 13% of insured adults who did not seek mental health treatment.

While carriers routinely argue that prior authorization, step therapy and fail-first protocols are necessary to control healthcare costs, ensure clinically appropriate drug selection, and prevent fraud, such arguments cannot be considered in a vacuum, and must be weighed against how such carrier-imposed treatment mandates and delays cause unnecessary patient suffering, severe side effects, or worsening patient condition. This is especially true for patients diagnosed with the severe mental illnesses identified in this bill, because of the nature of the medications prescribed. Such barriers can increase the risk of consumers engaging in illicit drug use or experiencing mental instability to cope with their mental illness leading to unintended harm, homelessness, or incarceration.

A recently published [study](#) looking into the reasons why patients with schizophrenia switch oral antipsychotic medications (OAMs) found that nearly half of patients switch OAMs because

of lack of efficacy, more than one-fourth because of tolerability issues, and an additional one-sixth for reasons of both efficacy and tolerability. These drugs don't begin to work immediately and have very serious and crippling side effects. These diagnoses require close monitoring by trained professionals who have individualized knowledge, experience, and rapport with the patient to be able to navigate the challenge of finding the right medications for their patients without being delayed by laborious processes that could be detrimental to the patients' stability and overall quality of life. That study concluded that, "Prescribing access to a broad selection of antipsychotics with different side effect profiles may help physicians better match treatment to individual patients, fostering greater acceptance of therapy, increased medication adherence, and better long-term outcomes."

Step therapy and fail-first protocols are administratively cumbersome for both patients and providers and many times this process creates compliance issues for patients who are already struggling to find the care that they need. In a [study](#) of Maine Medicaid and Medicare claims data, researchers found that the introduction of a "prior authorization policy for atypical antipsychotic and anticonvulsant agents was associated with increased rates of medication discontinuation among vulnerable groups of patients initiating new episodes of medication for bipolar disorder, and following these discontinuations, reductions in psychiatric visits among the sickest patients treated in community mental health centers and increases in emergency room visits in other patients." The impact of these processes on the community are great and eliminating barriers that would lead to better access, resources and care for those with severe mental illness aligns with the work that the General Assembly has done in the past.

Step therapy, fail-first protocols, and prior authorizations limit a physician's ability to select the most appropriate drug for their patients and minimizes the opportunity for medication adherence for patients with severe mental illness. This bill will decrease those barriers and give providers the ability to create the timely and flexible treatment plans needed for this cohort of patients.

We urge a favorable report on Senate Bill 111.

SB 111 - Maryland Medical Assistance Program and H

Uploaded by: Jake Whitaker

Position: FAV



Maryland
Hospital Association

Senate Bill 111- Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness

Position: *Support*

January 29, 2025

Senate Finance Committee

MHA Position

On behalf of the Maryland Hospital Association's (MHA) member hospitals and health systems, we appreciate the opportunity to comment in support of Senate Bill 111. This bill will eliminate barriers to care and increase access to critical prescription drugs used to treat serious mental illness. Increased access to behavioral health care will enable hospitals to discharge patients who no longer need emergency department or acute care services to more appropriate care settings, alleviate bottlenecks in hospital throughput, and reduce emergency department wait times.

Due to rising prescription drug costs, health payers, including private carriers and the Maryland Medicaid Program, increasingly require patients to undergo step therapy, which is a process where the patient must first try and fail on another drug—often a less expensive variation—before being allowed to step up to the more expensive medication. Additionally, health payers frequently require patients to apply for prior authorization, where a health care provider must obtain permission from a patient's health plan before accessing critical prescription drugs. While these practices theoretically can control cost, improper use of step therapy and prior authorization delays access to necessary drugs and can lead to negative health outcomes. MHA supports proposals to reduce unnecessary delays and expedite patient access to medications

SB 111 would ensure access to prescription drugs to treat serious mental illness in two ways. First, the bill would exempt prescription drugs used to treat serious mental disorders from step therapy protocols. Studies show step therapy may inadvertently reduce antidepressant use and increase overall and mental health-specific inpatient and emergency room expenditure and utilization.¹ Second, this bill would prohibit Maryland health payers from applying prior authorization requirements for prescription drugs used to treat serious mental illnesses. Reforms to streamline prior authorization for prescription drugs to treat serious mental illness would reduce unnecessary delays to critical behavioral health care services.

¹ "The Effects of Antidepressant Step Therapy Protocols on Pharmaceutical and Medical Utilization and Expenditures," The American Journal of Psychiatry, Oct. 1, 2010.
ajp.psychiatryonline.org/doi/full/10.1176/appi.ajp.2010.09060877

The U.S. has a severe behavioral health crisis, which was only exacerbated by the COVID-19 pandemic.^{2,3} While not the silver bullet, medications serve an important role in treating mental health disorders, and access to prescription drugs should be protected. Maryland hospitals support this bill's efforts to eliminate barriers to affordable behavioral health care coverage.

We look forward to our continued partnership with the state and the legislature to create sustainable solutions for access to affordable, comprehensive health insurance coverage.

For these reasons, we request a favorable report on SB 111.

For more information, please contact:

Jake Whitaker, Assistant Vice President, Government Affairs & Policy
Jwhitaker@mhaonline.org

² "The US' growing mental health crisis, in 6 charts," Advisory Board, Oct. 7, 2022. www.advisory.com/daily-briefing/2022/10/07/mental-health-crisis

³ "Increased need for mental health care strains capacity," American Psychological Association, Nov. 15, 2022. www.apa.org/news/press/releases/2022/11/mental-health-care-strains

SB 111 2025 NAPNAP - Copy.pdf

Uploaded by: JD Murphy

Position: FAV

1/25/2025

Maryland Senate
Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

Dear Honorable Chair, Vice-Chair and Members of the Committee:

On behalf of the pediatric nurse practitioners (PNPs) and fellow pediatric-focused advanced practice registered nurses (APRNs) of the National Association of Pediatric Nurse Practitioners (NAPNAP) Chesapeake Chapter, I am writing to express our **support of SB 111 Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness.**

This bill would prohibit the Maryland Medical Assistance Program and certain insurers, nonprofit health service plans, health maintenance organizations, and managed care organizations from applying a prior authorization requirement, a step therapy protocol, or a fail-first protocol for prescription drugs used to treat certain mental illnesses including: Bipolar disorder, Schizophrenia, Major Depression, Post Traumatic Stress Disorder, or medication induced movement disorder associated with the treatment of a mental health disorder. Step therapy, also known as "fail first" or "step protocol", is a prior authorization practice that can affect prescription drugs used to treat serious mental illnesses. Insurers require patients to try one or more alternative medications before they can access medicine that has been recommended and prescribed by their provider. Insurers choose the alternative medications, not the patient's healthcare provider. By placing the patient on the insurer's preferred alternative medication and not placing the patient on the medication that is recommended and prescribed by their provider can result in several adverse outcomes.

- Step therapy can delay necessary treatment and lead to adverse reactions
- It can force patients into a trial-and-error approach with treatments that may be less effective
- It can lead to worsened symptoms and long-term permanent harm to patients' health and well-being

For these reasons the Maryland Chesapeake Chapter of NAPNAP extends their support to **support of SB 111 Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness and requests a favorable report.**

The pediatric advanced practice nurses of your state are grateful to you for your attention to these crucial issues. The Chesapeake Chapter of the National Association of Pediatric Nurse Practitioners membership includes over 200 primary and acute care pediatric nurse practitioners who are committed to improving the health and advocating for Maryland's pediatric patients. If we can be of any further assistance, or if you have any questions, please do not hesitate to contact the Chesapeake Chapter President, Yvette Laboy at mdchesnapnapleg@outlook.com.

Sincerely,

Yvette Laboy

Dr. Yvette Laboy DNP, CPNP-AC, CCRN, CPN
National Association of Pediatric Nurse
Practitioners (NAPNAP)
Chesapeake Chapter President

Evgenia Ogorodova

Dr. Evgenia Ogorodova DNP, CPNP-PC
National Association of Pediatric Nurse
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Chesapeake Chapter Legislative Co-Chair

Lindsay J Ward

Ms. Lindsay Ward MSN, CPNP-PC, IBCLC
National Association of Pediatric Nurse
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Chesapeake Chapter Immediate Past-President

Jessica D. Murphy

Dr. Jessica D. Murphy DNP, CPNP-AC, CPHON, CNE
National Association of Pediatric Nurse
Practitioners (NAPNAP)
Chesapeake Chapter Legislative Co-Chair

LCPCM-SB 111-Prohibition on Prior Auth Step Therap

Uploaded by: John Favazza

Position: FAV



Committee: Senate Finance Committee

Bill: SB 111 – Maryland Medical Assistance Program and Health Insurance – Step Therapy, Fail-First Protocols, and Prior Authorization – Prescription to Treat Serious Mental Illness

Hearing Date: January 29, 2025

Position: Support

The Licensed Clinical Professional Counselors of Maryland (LCPCM) support Senate Bill 111 - Maryland Medical Assistance Program and Health Insurance – Step Therapy, Fail-First Protocols, and Prior Authorization – Prescription to Treat Serious Mental Illness. This bill prohibits prior authorization requirements, step therapy protocols, and fail-first protocols for prescription drugs used to treat individuals with serious mental illnesses (SMI).

Medication is an integral part of care for individuals suffering with SMI and the prescribing of these medications is very personalized as what may work for one individual may not work for another. Providers need the ability to work closely with their patients to prescribe medications best suited to patient needs without being forced to first go through protocols that deny patients' access.

SB 111 is about providing protection to individuals suffering with SMI and ensuring access to medications in a timely manner to provide the best treatment possible.

LCPCM urges the Committee to give SB 111 a FAVORABLE Report.

Please contact Andrea Mansfield at amansfield@maniscanning.com or (410) 562-1617 if we can provide additional information.

SB0111.docx.pdf

Uploaded by: Jonathan Dayton

Position: FAV



Statement of the Maryland Rural Health Association (MRHA)

To the Senate Finance Committee

Chair: Senator Pamala Beidle

January 27, 2025

SB0111: Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness

POSITION: SUPPORT

Chair Beidle, Vice Chair Hayes, and members of the committee, the Maryland Rural Health Association, go on record in support of SB0111: Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness.

SB0111: Seeks to prohibit Medicaid and Maryland-regulated health plans from implementing fail-first or step-therapy protocols for prescription drugs used to treat specific mental health disorders outlined in the bill, including bipolar disorder, schizophrenia, major depression, PTSD, and medication-induced movement disorders related to the treatment of serious mental illnesses.

While step-therapy protocols can pose risks for all patients, they are particularly harmful to those undergoing treatment for mental health disorders due to the highly individualized nature of these conditions and the varying responses patients may have to treatment. Many mental health conditions are chronic and lifelong, with symptoms that can differ significantly even among individuals with the same diagnosis. As such, step-therapy protocols restrict healthcare providers' ability to prescribe the most appropriate medication in the correct dosage and at the right time.

Even brief disruptions in medication, particularly for patients who have found a treatment regimen that stabilizes their condition, can have serious, life-altering consequences. SB0111 aims to protect vulnerable individuals from unnecessary treatment delays and ensure they receive care without additional barriers.

*On behalf of the Maryland Rural Health Association,
Jonathan Dayton, DrPH(c), MS, NREMT, CNE, Executive Director*

SB111 FAV - NAMI.pdf

Uploaded by: Michael Gray

Position: FAV

January 29, 2024

Chair Beidle, Vice Chair Hayes, and distinguished members of the Finance Committee,

The National Alliance on Mental Illness (NAMI)-Maryland respectfully requests a favorable report on SB111.

NAMI Maryland and our 11 local affiliates across the state represent a network of more than 58,000 families, individuals, community-based organizations, and service providers. NAMI Maryland is a 501(c)(3) non-profit dedicated to providing education, support, and advocacy for people living with mental illnesses, their families, and the wider community.

NAMI Maryland believes that all people with mental health conditions deserve access to effective medication and treatment options. Therefore, we work to ensure open access to psychiatric medication and strongly oppose fail first protocols, or what the insurance industry calls “step therapy,” in Maryland’s laws and policies.

Mental health medications affect people in different ways, including varying levels of effectiveness and different side effects. Because of this, it is important that a person can access the medication that works best for them. It is crucial that medication decisions are carefully considered with a healthcare provider who has both extensive knowledge of the patient and available medication options.

Health insurers often require that patients demonstrate unsuccessful treatment on one or more insurer-preferred medications before they receive coverage for the medication that their physician recommends. They must first fail on one or more medication before they can “step up” to another. Fail first protocols result in patients not being able to access the treatments they need in a timely manner.

Fail first protocols are a danger to the health and well-being of a person taking medication, and result in worsening of symptoms and undermining the decisions made between individuals and their health care providers. Patients subjected to fail first protocols are associated with “4.7 times greater odds of a medication access or continuity problem.”¹

Lack of access to necessary medication and treatment in a timely manner can lead to prolonged and more serious symptoms. Under SB111, individuals diagnosed with serious mental illness would be exempt from fail-first protocols. Untreated or inadequately treated serious mental health conditions can result in unnecessary disability, emergency department visits and hospitalizations, unemployment, substance abuse, being unhoused, inappropriate incarceration, and increased risk of suicide.

Kathryn S. Farinholt
Executive Director
National Alliance on Mental Illness, Maryland

Contact: Morgan Mills
Compass Government Relations
Mmills@compassadvocacy.com

Maryland's current practice of allowing fail first protocols hurts patients—their condition may worsen, or they may suffer unnecessarily in the process of failing insurer-preferred treatments.

For these reasons, we urge a favorable report on SB111.

¹ Joyce C. West et al., *Medicaid Prescription Drug Policies and Medication Access and Continuity: Findings From Ten States*, 60 *Psychiatric Services* (2009).

2025 MCHS SB 111 Senate Side.pdf

Uploaded by: Michael Paddy

Position: FAV



Maryland Community Health System

Bill Number: Senate Bill 111 - Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness

Committee: Senate Finance

Hearing Date: January 29, 2025

Position: Support

The Maryland Community Health System (MCHS) supports *Senate Bill 111- Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness*. The bill would streamline the process for prescribers in ensuring their patients could access needed medication for serious mental illnesses.

Maryland Community Health System (MCHS) is a network of federally qualified health centers that serve underserved communities in urban, suburban, and rural areas across Maryland. Currently, patients with serious mental illnesses face unnecessary delays and administrative hurdles due to insurers requiring additional steps before covering necessary medications. These barriers can lead to treatment delays, which may negatively impact patients' health and well-being.

Senate Bill 111 aims to reduce these obstacles by simplifying the process for prescribers, allowing them to more easily ensure that their patients receive the medication they need without facing extensive paperwork or additional approval processes. This would help ensure timely access to effective treatments, improving overall health outcomes for those with serious mental illnesses.

We ask for a favorable report on this legislation. If we can answer any questions, please contact Robyn Elliott at relliott@policypartners.net.

2025 MOTA SB 111 Senate Side.pdf

Uploaded by: Michael Paddy

Position: FAV



Maryland Occupational Therapy Association

PO Box 36401, Towson, Maryland 21286 ♦ mota-members.com

Committee:	Senate Finance Committee
Bill Number:	Senate Bill 111
Title:	Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness
Hearing Date:	January 29, 2025
Position:	Support

The Maryland Occupational Therapy Association (MOTA) supports Senate Bill 111- Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness. The bill would streamline the process for prescribers in ensuring their patients could access needed medication for serious mental illnesses.

Occupational therapists address barriers that individuals with mental health conditions in the community experience by providing interventions that focus on enhancing existing skills, remediating or restoring skills, modifying or adapting the environment or activity, and preventing relapse. As such, both the National Board for Certification in Occupational Therapy (NBCOT) and the American Occupational Therapy Association (AOTA) include mental health services within the scope of practice for occupational therapist. Senate Bill 111 aims to reduce these obstacles by simplifying the process for prescribers, allowing them to more easily ensure that their patients receive the medication they need without facing extensive paperwork or additional approval processes. This would help ensure timely access to effective treatments, improving overall health outcomes for those with serious mental illnesses.

We ask for a favorable report. If we can provide any further information, please contact Michael Paddy at mpaddy@policypartners.net.

OOOMD - 2025 - S111 - FAV - Fail-First.pdf

Uploaded by: Michelle Livshin

Position: FAV



ON OUR OWN
OF MARYLAND

onourownmd.org

7310 Esquire Court
Mailbox 14
Elkridge, MD 21075

410.540.9020

WRITTEN TESTIMONY IN SUPPORT OF SB 111: Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness

Thank you Chair Beidle, Vice-Chair Hayes, and committee members for your commitment to improving the quality and accessibility of healthcare services for Marylanders, especially community members who experience significant behavioral health challenges. On Our Own of Maryland (OOOMD) is a nonprofit behavioral health education and advocacy organization, operating for 30+ years by and for people with lived experience of mental health and substance use recovery.

OOOMD is in support of SB 111, which would remove Medicaid's prior authorization requirements, fail-first or step-therapy protocol for prescription drugs used for treatment of certain serious mental illnesses and medication-induced movement disorders. Individuals living with complex mental health needs already experience significant barriers in accessing mental health supports, treatment, and recovery services in their communities. **This bill could improve care by prioritizing consumer choice, protecting patient-doctor decision-making, and prompting timely access to desired treatment.**

Many individuals living with serious mental health challenges have experienced a gauntlet of programs, treatments, and prescriptions before finding the combination that works for their unique body, mind, and situation. All medications incur risks of adverse side effects and reactions, which can vary greatly from person to person due to individual physiology and concurrent health conditions. The determination of what course(s) of treatment best balances risk and reward should always be led by the individual consumer in consultation with their healthcare provider team.

A 2023 Kaiser Family Foundation¹ survey found 26% of adults who sought treatment for a mental health condition experienced prior authorization problems. When cost-saving protocols undermine consumers' expressed needs and lived expertise, or countermand the thoughtful recommendations of our medical providers, it can result in delayed care, out-of-pocket costs, and declines in health.

We encourage a favorable report. Thank you.

¹ Pestaina, K., Lupes, L., Wallace, R., & Lo, J. (2023, October 12). *Consumer problems with prior authorization: Evidence from KFF survey*. KFF (Kaiser Family Foundation).
<https://www.kff.org/affordable-care-act/issue-brief/consumer-problems-with-prior-authorization-evidence-from-kff-survey/>

Diane Shields SB111-HB382 Finance&HGO.pdf

Uploaded by: NAMI Maryland

Position: FAV

Greetings, members of the Senate Finance committee,

My name is Diane Shields. I am a NAMI Maryland/Harford County member and Family to Family Facilitator of 5 years that teaches 8-week course to those who care for loved ones diagnosed with mental illness. I have several family members and friends who have various mental illness diagnoses such as debilitating Anxiety, Depression, Bipolar Disorder, and Schizophrenia. Most importantly, I am an advocate and an advocate that educates everyone I can in this area regarding the need for the creation of new initiatives, and the need for more research and aid in this area.

These illnesses can no longer be the lowest priority of our government and elected officials! When will we realize the cost of ignoring this part of society? The financial cost alone to Medicare, State Medical Assistance, Insurance Cost, Courts, Jails, Juvenile Services, Welfare, Homelessness, Loss of life from Suicide/ Homicide and Security. Government programs only place a band aid on the symptoms of the illness. The burden of this is passed on to law enforcement, hospitals and family members. Quite frankly, we have had enough of being ignored and dealing with financial cuts in funding even to the most basic of programs.

From my first exposure to now in 2025, I continue to struggle with navigating the mental health systems. While we have made some great strides in the last 30 years, we are still very much in the dark ages. True Parity continues to be a problem. Insurance companies continue to find ways to circumvent the law. Countless hours, days, weeks, months and sometimes years are spent trying to get a loved one the help that they need. The financial and emotional cost to not only the patient but to the entire family is astronomical. New medicines are denied until the patient fails two other types and or the cost of the new ones are out of reach. Thus, the reason behind and the need for SB111 and HB 382 to pass. I continue to advocate and fight the hospitals, doctors, lawmakers, criminal justice system and insurance companies for those afflicted with these diseases.

Respectfully,

Diane Shields

dianef1128@hotmail.com

442 Abbey Circle

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443-417-7413

NCADD-MD - 2025 SB 111 FAV - Step Therapy Prohibit

Uploaded by: Nancy Rosen-Cohen

Position: FAV



**Senate Finance Committee
January 29, 2025**

**Senate Bill 111
Maryland Medical Assistance Program and Health Insurance -
Step Therapy, Fail-First Protocols, and Prior Authorization -
Prescription to Treat Serious Mental Illness**

NCADD-Maryland supports Senate Bill 111, a bill that would eliminate fail-first, or “step therapy” protocols for people living with bipolar disorder, schizophrenia spectrum disorders, major depression, post-traumatic stress disorder, and movement disorders associated with the treatment of serious mental illness. These protocols prevent people from finding and staying on the medications that best meet their needs and they should be prohibited.

Medications play an important role in the treatment and recovery of many people with mental health and substance use disorders. It is important that people have choices when it comes to medications, because different medications work for different people, even if they have the same diagnosis. Patients, working closely with their providers, should make the best choices for themselves. Arbitrary fail-first policies can not only result in poor outcomes for the patient, but actually cost the health care system more in the long run.

NCADD-Maryland urges this committee to give a favorable report to Senate Bill 111.

CBH-FAV-SB111.pdf

Uploaded by: Nicole Graner

Position: FAV



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Key Point Health Services

Testimony on SB111

**Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-
First Protocols, and Prior Authorization - Prescription to Treat SMI**

Senate Finance Committee

January 29, 2025

POSITION: SUPPORT

The Community Behavioral Health Association of Maryland (CBH) is the leading voice for community-based providers serving the mental health and addiction needs of vulnerable Marylanders. Our 87 members serve the majority of individuals who access care through the public behavioral health system. CBH members provide outpatient and residential treatment for mental health and addiction-related disorders, day programs, case management, Assertive Community Treatment (ACT), employment supports, and crisis intervention.

There is a high correlation between non-adherence to drug regimens and utilization of high-cost care - such as emergency department visits or hospitalization - for individuals with serious mental health disorders treated with psychotropic medications. While various mental health drugs in a specific category may be equally efficacious, there is wide variability among those drugs as to their side effects, which may include liver damage, excessive weight gain, and sexual dysfunction. To the extent that consumers with serious mental health disorders do not have access to drugs whose side effects they can or will tolerate - due to step therapy or fail first protocols - there is a higher risk of non-adherence to the drug regimen.

SB111 prohibits the use of a prior authorization requirement, step therapy or fail-first protocols for prescription drugs used to treat specific mental health conditions of adult enrollee's including bipolar disorder, schizophrenia, major depression, post-traumatic stress disorder (PTSD) or a medication-induced movement disorder associated with the treatment of a serious mental illness. The stakes are very high for those with these diagnoses who may rapidly decompensate if they don't have access to medications that can stabilize their symptoms and improve their level of functioning. It can be very challenging to find the right mix and dosage of meds that work for any given individual. Requiring an enrollee to fail first on medications may result in hospitalization, job loss, and the loss of employer-based health insurance.

This is a critical consumer protection bill. We urge a favorable report.

*For more information contact Nicole Graner, Director of Government Affairs and
Public Policy, at 240-994-8113 or Nicole@MDCBH.org*

Antipsychotic Access in Florida Medicaid 00US24EUC

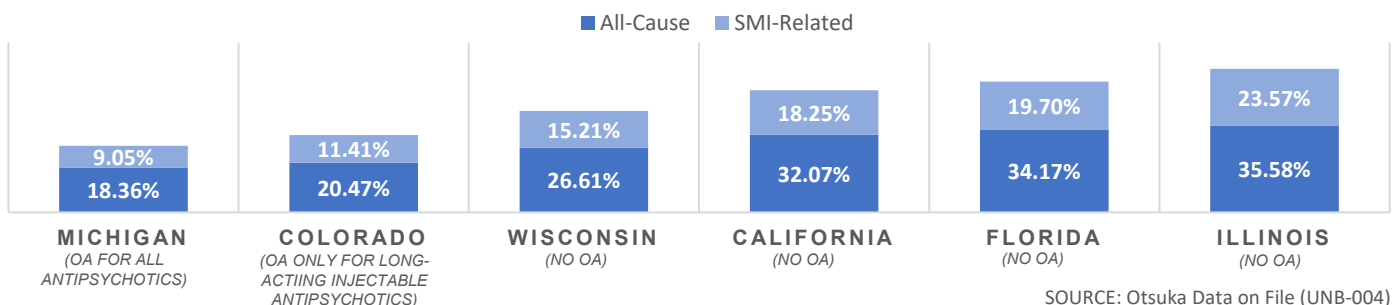
Uploaded by: Patrick Stone

Position: FAV

Antipsychotic Access in Florida Medicaid

An analysis of pharmacy and medical claims from 2017-2023¹ for individuals living with serious mental illness (SMI) shows differences in healthcare utilization and costs between six states: Michigan, whose Medicaid program has open access (OA) policies for antipsychotics, and five Medicaid programs that do not – California, Colorado, Florida, Illinois, and Wisconsin.

Figure 1. Hospitalizations of Medicaid Enrollees with an Antipsychotic Rx



Key findings for Florida include:

- Access to antipsychotic drugs through Medicaid programs in Florida – which has formulary restrictions and utilization management policies – was associated with **greater use of healthcare resources and higher annual costs** when compared with Michigan,¹ whose Medicaid program has open access to antipsychotics.
 - Compared with Florida enrollees, Michigan patients using the same antipsychotic drug had **94% less SMI-related and 67% less all-cause admissions.**²
- Florida's spend across **all inpatient, emergency, and pharmacy claims** for each enrollee with an antipsychotic prescription **outweighs Michigan's spend in each of these areas.**³
- Moreover, all-cause expenditures for patients with SMI using antipsychotics were **higher** in Florida at \$24,969 per enrollee per year than in Michigan at \$19,637.⁴

Creating Change: This study shows that Michigan's overall expenditures were lower than Florida's due to less resource use. **Stakeholders should consider the potential impact of open access to antipsychotics on net health care costs and on the experiences of individuals living with SMI.**

¹ Otsuka Data on File (UNB-004) is a retrospective cohort study – sponsored by Otsuka Pharmaceutical Development and Commercialization, Inc. – that reviewed claims filed in the Kythera open claims database* between Jan. 1, 2017 and Dec. 31, 2023 for California, Colorado, Florida, Illinois, Michigan, and Wisconsin Medicaid enrollees that had (a) 18 years of age or more; (b) an SMI diagnosis [bipolar disorder, major depressive disorder, schizophrenia, etc.]; (c) ≥1 pharmacy claim for an antipsychotic; (d) continuous medical & pharmacy benefits for 12 months pre- and post-treatment initiation; and were not (e) receiving clozapine nor (f) dually eligible for Medicaid and Medicare. This study is limited to six states and findings may not be representative across all states.

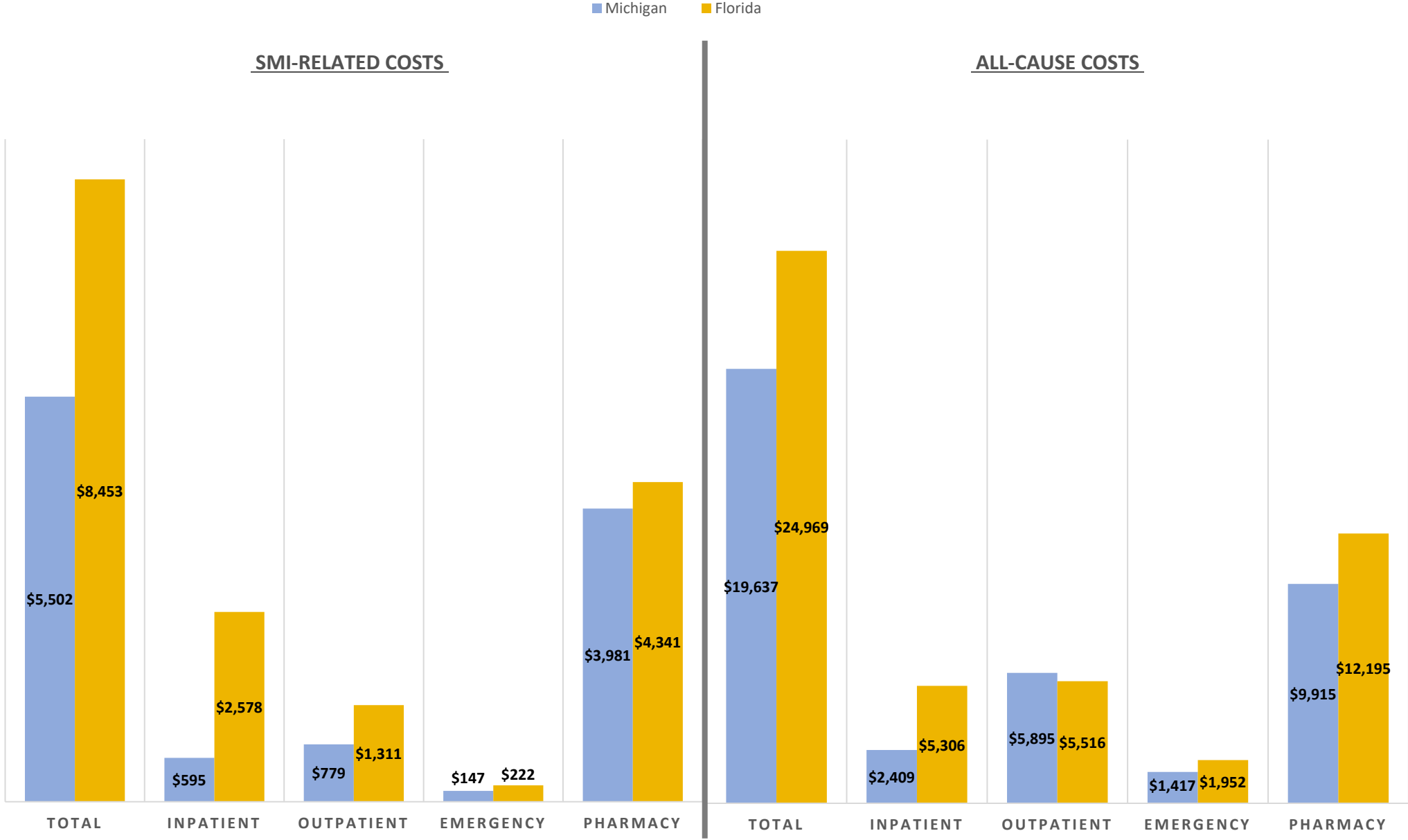
*Kythera is an open claims database, updated weekly, that contains over 330 million patients, 12.5 billion healthcare claims, 12.9 billion prescription drug claims, and represents 79% coverage of all U.S. patients.

² See "SMI-Related Costs: Inpatient" and "All-Cause Costs: Inpatient" in Figure 2

³ See "SMI-Related Costs: Inpatient, Emergency, and Pharmacy" and "All-Cause Costs: Inpatient, Emergency, and Pharmacy" in Figure 2

⁴ See "All-Cause Costs: Total" in Figure 2

Figure 2. SMI-Related and All-Cause Costs among Michigan and Florida Medicaid Enrollees with an Antipsychotic Rx (Per Person, Per Year)



SOURCE: Otsuka Data on File (UNB-004)

SB111_Otsuka_Proponent.pdf

Uploaded by: Patrick Stone

Position: FAV



January 27, 2025

The Honorable Pamela Beidle
Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401-1991

RE: Senate Bill 111 – Maryland Medical Assistance Program and Health Insurance – Step Therapy, Fail-First Protocols, and Prior Authorization- Prescription Drugs to Treat Serious Mental Illness

Dear Chair Beidle and Committee Members:

On behalf of Otsuka America Pharmaceutical, we respectfully submit our support for SB111. Attached you will find analysis that in partnership with Columbia Data Analytics we have conducted regarding the potential for SB111 to create cost savings within Medicaid for those diagnosed with serious mental illness. The study compared spending in Michigan, which has allowed open access to serious mental illness medications for over a decade, to that of several other states who have utilization management (step therapy and prior authorization) in place.

Should you have any questions about the data or wish to have a briefing on it by our policy staff please contact me at Patrick.Stone@otsuka-us.com.

Regards,

Patrick Stone
Director, State Government Affairs & Public Policy
Otsuka America Pharmaceutical

2025 MdAPA SB 111 Senate Side.pdf

Uploaded by: Robyn Elliott

Position: FAV



To: Senate Finance Committee

Bill: Senate Bill 111 - Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness

Date: January 29, 2025

Position: Favorable

The Maryland Academy of Physician Assistants supports *Senate Bill 111 - Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness*. The bill would streamline the process for prescribers in ensuring their patients could access needed medication for serious mental illnesses.

Mental health disorders encompass a spectrum of conditions that can be debilitating for patients and their families. Access to appropriate medication is often paramount to effective treatment and overall well-being. However, current practices can hinder timely access, leaving many patients in dire need of care. This bill would alleviate some of the burdens associated with the prescription process, ensuring patients receive the necessary medications without undue delay.

We ask for a favorable report. If we can provide any further information, please contact Robyn Elliott at relliott@policypartners.net.

Supportforstep-therapy27Dec2024.pdf

Uploaded by: Sarah Peters

Position: FAV



December 27, 2024

Bill: Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription Treat Serious Mental Illness

Position: SUPPORT

Dear Chair, Vice-Chair, and Members of the Committee:

On behalf of the Nurse Practitioner Association of Maryland (NPAM), representing over 850 nurse practitioners throughout the state, we offer our support on this legislation.

As an association representing nurse practitioners who are at the forefront of patient care, we believe that this bill is crucial for ensuring timely access to appropriate medication for individuals grappling with serious mental health conditions. By eliminating unnecessary bureaucratic hurdles, this legislation empowers healthcare providers to make decisions based on *clinical judgment* and the *individual needs of their patients*.

Several members of our association work as psychiatric nurse practitioners and have encountered situations that this bill would have helped. To name a few:

- ☐ A pregnant patient diagnosed with bipolar disorder--the only safe pregnancy mood stabilizer drug was declined without prior authorization.
- ☐ A patient diagnosed with bipolar disorder failed multiple trials of mood stabilizers. Stable on one drug for over a month and kept getting declined. Took multiple appeals to Maryland Medicaid to get approved.
- ☐ A patient diagnosed with bipolar disorder who had a drug overdose was stabilized on a drug. Insurance declined the drug and wanted provider to switch him to another. The provider had to write multiple letters to get approved.

- ☐ Patient with a diagnosis of bipolar disorder discharged on one drug but required a PA or step therapy and was recommended for a cheaper medication. (Medicaid)
- ☐ Patient was prescribed one drug, but insurer was denied with recommendation to fail on one of two other drugs first until provider completed a peer-to-peer call.
- ☐ Patient prescribed one drug, but insurer denied saying that they would not agree because the patient was over 18. Provider started that medication because the patient was using substances and provider did not want her on a controlled medication. The insurer recommended a controlled substance.

It is our firm belief that timely access to appropriate medication is paramount in managing mental health conditions effectively.

Sincerely,

A handwritten signature in black ink that reads "Malinda D. Duke CRNP-PC". The signature is fluid and cursive, with the last name "Duke" being the most prominent part.

Malinda D. Duke MS, CRNP-PC, CDCES
Executive Director
Nurse Practitioner Association of Maryland
Office: 443-367-0277
Fax: 410-772-7915
NPAMexecdir@gmail.com

Health Care for the Homeless - 2025 SB 111 FAV - F

Uploaded by: Vicky Stewart

Position: FAV

**HEALTH CARE FOR THE HOMELESS TESTIMONY
IN SUPPORT OF**

SB 111 - Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness

**Senate Finance Committee
January 29, 2025**



**Submitted BY:
Meredith Johnston, MD
Director of Psychiatry**

Dear Chairperson and Esteemed Members of the Committee,

My name is Meredith Johnston, and I am a board-certified psychiatrist with 18 years of experience treating severe and persistent mental illness. I strongly support SB 111 which prohibits prior authorization, step therapy, and fail-first protocols for prescription drugs treating mental illnesses.

Mental health crises require urgent action. Delays caused by administrative barriers can worsen symptoms, leading to unnecessary suffering and more intensive, costly interventions later. Quick and appropriate intervention can help people stay out of the hospital and not get involved with police and criminal charges for being acutely ill in public.

Step therapy that requires “fail first” criteria can be particularly harmful for people with severe and persistent mental illness that require highly individualized and nuanced treatment based on an understanding of each patient’s history, co-morbidities, and response to prior treatments. Delaying care with increased administrative burdens undermines clinical judgement.

Case Example

I recently had a patient with severe tardive dyskinesia. He met the criteria for Ingreeza to target his medication-induced movement disorder. The prior authorization was declined multiple times as the peer reviewer questioned his diagnosis of clear schizophrenia in the context of long-term sequelae of homelessness. The patient gave up waiting for an approval and apparently has abandoned treatment.

In conclusion, SB111 represents a crucial step toward ensuring that individuals with mental illnesses receive the care they need without unnecessary delays or barriers. By supporting this bill, you are prioritizing the mental health and well-being of Maryland’s residents and affirming the importance of evidence-based, patient-centered care.

Thank you for your time and consideration. I urge you to vote in favor of this critical legislation.

Sincerely,

Meredith Johnston MD
Director of Psychiatry
Health Care for the Homeless
(443) 703-1106
mjohnston@hchmd.org

Health Care for the Homeless is Maryland's leading provider of integrated health services and supportive housing for individuals and families experiencing homelessness. We deliver medical care, mental health services, state-certified addiction treatment, dental care, social services, housing support services, and housing for over 11,000 Marylanders annually at sites in Baltimore City and Baltimore County.

Our Vision: Everyone is healthy and has a safe home in a just and respectful community.

Our Mission: We work to end homelessness through racially equitable health care, housing and advocacy in partnership with those of us who have experienced it.

For more information, visit www.hchmd.org.

DRM_SB111_SupportWAME.pdf

Uploaded by: Courtney Bergan

Position: FWA



Empowering People to Lead Systemic Change

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Phone: 410-727-6352 | Fax: 410-727-6389

DisabilityRightsMD.org

Maryland Senate Finance Committee – Bill Hearing
Senate Bill 111: Maryland Medical Assistance Program and Health Insurance - Step Therapy,
Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness
Wednesday, January 29, 2025, 1:00 PM
Position: Support with Amendments

Disability Rights Maryland (DRM) is the protection and advocacy organization for the state of Maryland; the mission of the organization, part of a national network of similar agencies, is to advocate for the legal rights of people with disabilities throughout the state. In the context of mental health disabilities, DRM advocates for access to person-centered, culturally responsive, trauma-informed care in the least restrictive environment. DRM appreciates the opportunity to provide testimony on SB 111, which would help guarantee more equitable access to psychiatric medications and remove unnecessary barriers to mental health care.

Both the Mental Health Parity and Addiction Equity Act and the Affordable Care Act require Maryland Medicaid, as well as covered private insurance plans, to provide comparable coverage for mental health and somatic conditions. Nevertheless, significant disparities in coverage remain, and many Marylanders with severe mental health diagnoses are unable to access coverage for psychiatric medications because of excessive pre-authorization requirements for psychiatric medications. These barriers often have the effect of significantly delaying or denying access to appropriate care that has been agreed upon between the patient and their physician. These delays and denials of care can be especially devastating for individuals with disabilities, putting people at risk of unnecessary hospitalization or incarceration due to the significant barriers encountered when trying to access medication. Step-Therapy and fail first protocols can also cause unnecessary suffering, especially when there is evidence to suggest insurance-preferred medications may not be as beneficial to the individual based on their clinical profile or pharmacogenetic testing. Finally, step therapy, fail-first protocols, and prior authorization requirements can lead to interruptions in medication access that can cause a person with a serious mental health disability to experience symptom exacerbations and withdrawal from their medication. Many individuals choose to avoid medication after these adverse effects, rather than risk recurrence of withdrawal symptoms caused by insurance disruption of their access to needed medications.

SB111 lists only five conditions within its scope. DRM requests that the bill be amended to include all mental health diagnoses that result in a substantial impairment of a patient's functioning; since the bill as written would not cover Marylanders who have significant mental health disabilities and whose diagnoses fall outside of this list. These individuals often experience even greater barriers to care due to their diagnoses being less familiar to public and commercial insurers. Some of these additional diagnoses of serious mental illness include, but are not limited to, schizoaffective disorder, severe obsessive-compulsive disorder, delusional disorder, and dissociative disorders.

Further, although SB111 currently only covers adults, DRM would encourage maintenance of the safety pre-authorization process that Maryland Medicaid uses when anti-psychotic medications are prescribed to children; there are significant differences in the safety profiles of certain antipsychotic medications when used in children, limiting the drugs that are approved for use in treating children. Further, there is a long history of inappropriate prescribing of anti-psychotic

medications to children in foster care to manage behavior in lieu of providing appropriate therapeutic services. Many of these children do not have consistent caregivers, or even consistent prescribers, to oversee their care; safety pre-authorizations are often the only means to ensure that the medications prescribed are both safe and appropriate for their needs. Thus, DRM believes this limited use of prior authorizations in children is appropriate to maintain.

DRM recommends that the committee issue a favorable report on SB 111 with our proposed amendment so that all Marylanders with mental health disabilities can access the care they need without unnecessary interference from third party payors. Please contact Courtney Bergan, Disability Rights Maryland's Equal Justice Works Fellow, for more information at CourtneyB@DisabilityRightsMd.org or 443- 692-2477.

SB111_S&PAA_FAV_WITH_AMEND.pdf

Uploaded by: Evelyn Burton

Position: FWA



SB111 Testimony

From: Evelyn Burton, Maryland Advocacy Chair, Schizophrenia & Psychosis Action Alliance

Position: SUPPORT WITH AMENDMENTS

As families of those with the psychiatric brain disorders of schizophrenia, schizoaffective disorder, bipolar disorder, and major depression, we too often see the tragic outcomes of untreated and inappropriately treated psychosis. Psychosis can include hallucinations, delusions, the inability to recognize reality and cognitive deficits. The tragic outcomes include incarceration, homelessness, violence to self and others, suicide and death can happen within days of the onset of psychosis. With psychotic illnesses, there may be only one window of opportunity to prescribe the most effective and tolerable medication for an individual before extremely adverse consequences occur. Any delay in effective medication prescription for a psychotic illness, including delays from prior authorization or step therapy requirements, seriously risk the life of the patient as well as others. Other states have shown significant cost savings from similar bills when overall costs are considered. Schizophrenia & Psychosis Action Alliance (S&PAA) strongly supports SB111 with three amendments: 1. Include another important psychotic disorder, schizoaffective disorder, in the list of covered diagnoses; 2. Require cost savings calculations to include total Medicaid costs (hospitalization) and 3. Give the legislature, not the Department of Legislative Services the authority to re-institute prior authorization and step therapy if the overall costs are too high.

Any delay in effective medication prescription for a psychotic illness, including delays from prior authorization or step therapy requirements, seriously risk the life of the patient as well as others. Unlike a condition like high cholesterol which does not cause adverse effects quickly, active psychosis is unpredictable and can result in violence and other adverse consequences at any time, sometimes within days. On average, those with all mental illnesses are no more dangerous than the average population. However, according to Dr. Thomas Insel, a past director of the National Institute on Mental Health (NIMH), “An active psychotic illness is associated with irrational behavior and violence can be part of that....There is a 15 fold reduction in risk of homicide, with ... treatment.”¹ Research shows nonadherence to antipsychotic treatment results in a “fourfold increase in the risk of suicide...and increased rates of hospitalization, use of emergency psychiatric services, arrests...[and] greater substance use.”²

With psychotic illnesses, there may be only one window of opportunity to prescribe the most effective and tolerable medication for an individual before extremely adverse consequences occur. Only an individual’s physician can best judge which medication is most likely to be effective, is compatible with the individual’s comorbid conditions and which the individual is most likely to tolerate and agree to take. Prior authorization and step-therapy requirements increase the risk of the individual refusing to take any medication if intolerable side effects from a non-optimal medication are experienced.

Untreated and ineffectively treated psychosis is a major driver of criminalization of those with serious mental illness (SMI.) The delusions and hallucinations and cognitive impairments of psychosis often result in the inability to comply with the law. The Maryland Secretary of Health testified last year that approximately 25 percent of people in Maryland jails have serious mental illness. The elimination of prior authorization and step therapy for illnesses with psychosis could significantly reduce the criminalization of serious mental illness.

Research in other states has found that prior authorization and step-therapy dramatically decreased overall state costs. (see below) According to the attached Issue Brief from the Scheffer Center for Health Policy & Economics,³ “Medicaid formulary restrictions, such as prior authorization and step therapy...save little, if any, money on drug spending. Instead, formulary restrictions increase overall Medicaid spending for people with serious mental illnesses, especially for inpatient hospital care. ... formulary restrictions also raise costs to society through increased spending to jail mentally ill Americans.” (See charts below) As legislators you basically face 2

choices. 1. Maintain the status quo where millions of dollars are spent on hospitalization and incarceration for those with untreated psychotic illnesses while maybe saving a small amount on medications, or 2. Pass SB111 and save millions of dollars on reduced hospitalizations and incarceration, and reduce suicides violence and criminalization, while maybe spending a relatively small amount more on medications. Unfortunately, this overall savings will not generally show up in the fiscal note, since Legislative Services does not consider overall savings, as from hospitalization or incarceration.

Allowing the Department of Legislative Services to abruptly re-institute prior authorization and step-therapy for those already stabilized on effective medications is tantamount to a death sentence for some by suicide or violence and incarceration for others. Such discontinuation should be carefully considered by the legislature, not Legislative Services.

We ask for a favorable report on SB990 with the following amendments to add schizoaffective disorder, to require consideration of total Medicaid costs and give the legislature, not Legislative Services, the authority to negate provisions of this bill. Not only can SB111 save the state money, but it can help prevent the tragedies of suicide, death and incarceration from the delay and interruption of effective medication treatment of psychotic illnesses.

REQUESTED AMENDMENTS:

15–157. (A) IN THIS SECTION, “STEP THERAPY OR FAIL–FIRST PROTOCOL” HAS THE MEANING STATED IN § 15–142 OF THE INSURANCE ARTICLE.

(B) EXCEPT AS REQUIRED UNDER 42 U.S.C. § 1396A, BEGINNING JULY 1, 11 2025, THE PROGRAM MAY NOT APPLY A PRIOR AUTHORIZATION REQUIREMENT FOR A PRESCRIPTION DRUG USED TO TREAT AN ADULT ENROLLEE’S DIAGNOSIS OF:

(1) BIPOLAR DISORDER;

(2) SCHIZOPHRENIA;

(3) MAJOR DEPRESSION;

(4) POST–TRAUMATIC STRESS DISORDER; OR

(5) A MEDICATION–INDUCED MOVEMENT DISORDER ASSOCIATED WITH THE TREATMENT OF A SERIOUS MENTAL ILLNESS; OR

(6) SCHIZOAFFECTIVE DISORDER.

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) On or before January 31, 2026, and each January 1 thereafter through 2030, the Maryland Department of Health shall report to ~~the Department of Legislative Services~~ AND THE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE AND THE FINANCE COMMITTEE on any cost increase to the Maryland Medical Assistance Program from the immediately preceding fiscal year that results from the implementation of Section 1 of this Act.

(b) CALCULATION OF COSTS IN THIS SECTION SHALL INCLUDE CONSIDERATION OF ANY REDUCTION IN HOSPITAL COSTS FOR INDIVIDUALS AFFECTED UNDER SECTION 1 OF THIS ACT COMPARED TO THEIR HOSPITAL COSTS BEFORE IMPLEMENTATION OF SECTION 1 OF THIS ACT.

(b) On or before April 30 of the year in which a report is submitted under subsection (a) of this section, the Department of Legislative Services shall determine, based on the report, whether the implementation of Section 1 of this Act resulted in a cost increase to the Maryland Medical Assistance Program of more than \$2,000,000 from the immediately preceding fiscal year

(c) If the Department of Legislative Services determines that the implementation of Section 1 of this Act resulted in a cost increase to the Maryland Medical Assistance Program of more than \$2,000,000 from the immediately preceding fiscal year, with no further action required by the General Assembly, at the end of April 30 of the year the determination is made, Section 1 of this Act shall be abrogated and of no further force and effect.

References:

- 1. DJ Jaffe. *insane consequences*. Pg 33
- 2. DJ Jaffe. *insane consequences*. Pg 77
- 3. USC Schaeffer. Medicaid Access Restrictions on Psychiatric Drugs: Penny Wise or Pound Foolish? Issue Brief No. 2 February 2015.

Figure 1³

Change in Hospital Outcomes Associated with Prior Authorization and Step Therapy for Antidepressants, Major Depressive Disorder (MDD) Related

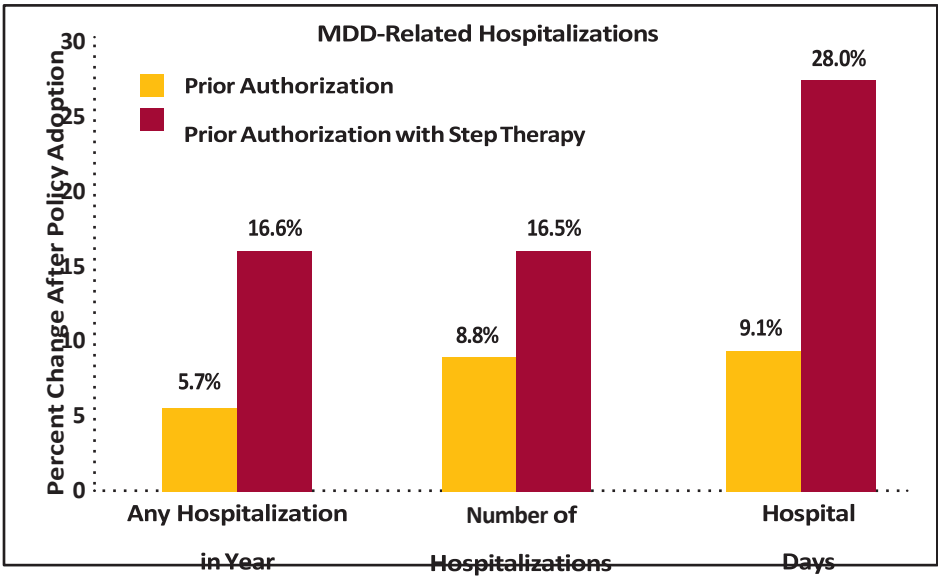
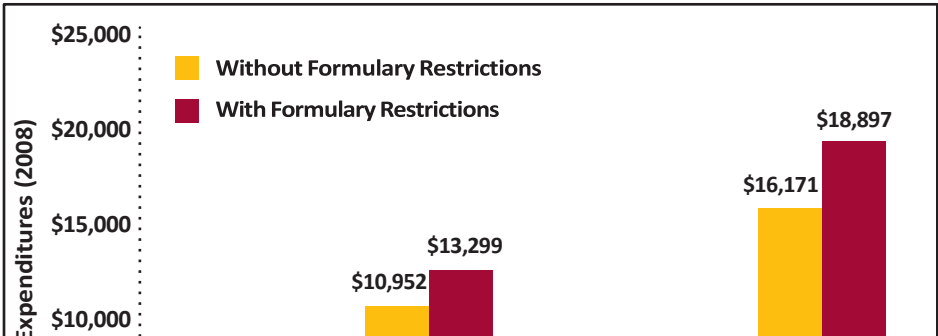


Figure 2³

Predicted Expenditures With and Without Formulary Restrictions for Atypical Antipsychotics: Patients with Schizophrenia



SB111.pdf

Uploaded by: Taylor Dickerson

Position: FWA



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January 27, 2025

Senator Pamela Beidle, Chair
Senator Antonio Hayes, Vice Chair
Finance Committee
3 East, Miller Senate Office Building
Annapolis, MD 21401

Bill: Senate Bill 111 – Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness

Position: SUPPORT with Amendment

Dear Chair Beidle, Vice Chair Hayes, and Members of the Committee:

The Maryland Psychological Association (MPA), which represents over 1,000 doctoral-level psychologists throughout the state, is writing in **SUPPORT with an amendment of Senate Bill 111 – Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness**. The bill addresses a crucial issue in the treatment of severe mental illness – finding the right medication as rapidly as possible.

“Step Therapy” requirements by insurance companies, also known as “Fail First,” force patients to “fail first” on cheaper and possibly less effective medications even when the prescribing practitioner has recommended other specific medications which may be more effective – but may also be more expensive. The carriers require the consumer to use a less expensive medication, and fail that treatment, often for painfully long periods of time, before the carrier will authorize the medicine prescribed by the patient’s prescribing practitioner. When a health insurer requires step therapy, it can pose serious and dangerous risks to a person taking the mental health medication, prolong their unnecessary suffering, and result in worsening symptoms and even more impaired functioning.

SB 111 exempts individuals with specific serious and significant mental health diagnoses from fail-first/step therapy protocols: individuals diagnosed with bipolar disorder, schizophrenia, major depression, post-traumatic stress disorder and related movement disorders.

Untreated or inadequately treated, serious mental health conditions can result in unnecessary disability, emergency department visits and hospitalizations, unemployment, substance abuse, homelessness, inappropriate incarceration, increased risk of suicide, and diminished quality of life.

In our experience, untreated severe ADHD can have equally serious outcomes, so we believe that ADHD should be added to this list. We offer the following amendment, on page 2, lines 16-18: (4) POST-TRAUMATIC STRESS DISORDER; (5) ADHD; OR (6) A MEDICATION-INDUCED ... “

We ask the Committee to report favorably on SB 111 with the proposed amendment. If we can provide any additional information or be of any assistance, please do not hesitate to contact the Chair of MPA’s Legislative Committee, Dr. Stephanie Wolf, at mpalegislativcommittee@gmail.com.

Respectfully submitted,

David Goode-Cross, Ph.D.
David Goode-Cross, Ph.D.
President

Stephanie Wolf, JD, Ph.D.
Stephanie Wolf, JD, Ph.D.
Chair, MPA Legislative Committee

cc: Richard Bloch, Esq., Counsel for Maryland Psychological Association
Barbara Brocato & Dan Shattuck, MPA Government Affairs

MMCOA Comments on SB111 - Step Therapy, First Fail

Uploaded by: Joseph Winn

Position: UNF



**Senate Bill 111 - Maryland Medical Assistance Program and Health Insurance -
Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to
Treat Serious Mental Illness**

**UNFAVORABLE
Senate Finance Committee
January 29, 2025**

Thank you for the opportunity to submit this testimony for SB111 - Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness. The Maryland Managed Care Organization Association (MMCOA), which is comprised of all nine MCOs that serve Medicaid, is committed to ensuring access to the prescription drugs and therapies that our members depend on for their health and wellbeing.

SB111 would remove an important set of managed care tools by prohibiting the utilization of prior authorization, step therapy, and fail-first protocols for the prescription of certain medications, including those used to treat schizophrenia, major depression, post-traumatic stress disorder or medication induced movement disorder associated with the treatment of serious mental illness.

Utilization management of prescription drugs is an important managed care function. These tools help determine the therapeutic appropriateness of a drug, monitor for over utilization, possible therapeutic duplications, drug contraindications, drug interactions, and clinically appropriate dosing. SB111 would significantly limit MCOs' ability to identify and address potential problems with the use of these drugs, which could lead to increased costs and adverse health outcomes for enrollees.

The bill would create a one-size-fits-all approach to the management of certain prescription drugs, which would limit MCOs' ability to tailor their programs to the unique needs of their members, including those with substance use disorders, mental illness, or other conditions that affect the prescribing and use of certain prescription drugs.

For these reasons we respectfully urge an unfavorable report on Senate Bill 111.

Please contact Joe Winn, Executive Director of MMCOA, with any questions regarding this testimony at jwinn@marylandmco.org.

SB 111 -FIN - MDH - LOO.docx (1).pdf

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Position: UNF



Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Secretary

January 29, 2025

The Honorable Pamela Beidle
Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401-1991

**RE: Senate Bill 111 – Maryland Medical Assistance Program and Health Insurance –
Step Therapy, Fail-First Protocols, and Prior Authorization- Prescription Drugs to
Treat Serious Mental Illness – Letter of Opposition**

Dear Chair Beidle and Committee Members:

The Maryland Department of Health (Department) respectfully submits this letter of opposition for Senate Bill (SB) 111 - Maryland Medical Assistance Program and Health Insurance – Step Therapy, Fail-First Protocols, and Prior Authorization – Prescription to Treat Serious Mental Illness. SB 111 prohibits prior authorization requirements for adults (18+), fail-first protocols, or step therapy protocol for a prescription drug used to treat a participant’s diagnosis of bipolar disorder; schizophrenia; major depressive disorder; post-traumatic stress disorder; or a medication-induced movement disorder associated with the treatment of a serious mental illness. Additionally, SB 111 includes a reporting requirement for Maryland Medicaid.

SB 111 will result in a significant financial impact to the Department. Overall, the implementation of SB 111 would require \$579.3 million in total funds (\$289.7 million federal funds, \$289.7 million State general funds) if implemented over the next five fiscal years, amounting to \$111.3 million or more annually (\$55.7 million federal funds, \$55.7 million State general funds). The Department understands that the uncoded language in Section 3 could potentially abrogate the bill after April 30, 2027, however the initial fiscal impacts would still be significant.

The Department anticipates that the prohibition of prior authorization, step therapy, or fail-first protocol would lead to a shift in the utilization of medications within these four classes from generic to brand name drugs, or from brand name drugs with a lower net cost to other brand name drugs with a higher net cost, with a significant increase in the cost per prescription. Medicaid also anticipates a decrease in revenue from supplemental rebates as manufacturers will no longer have the incentive to offer supplemental rebates to have their brand-name drugs included on the preferred drug list. Removing the prior authorization requirements would also pose operational challenges to Medicaid, as prescriptions do not include diagnosis information, and so a given drug cannot be authorized for only certain conditions. Therefore, Medicaid would

have to authorize the prescription whenever these classes of drugs are prescribed, leading to an increase in the number of prescriptions being filled, and in the cost to Medicaid.

The Department further notes that the Substance Use Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act¹ (Public Law 115-217) passed in 2018 requires states to implement claims review processes for individuals prescribed opioids and antipsychotics. On March 9, 2024, President Biden signed into law the Consolidated Appropriations Act, 2024 (P.L. 118-42). The Consolidated Appropriations Act, 2024 (CAA 2024) includes a number of Medicaid and Children's Health Insurance Program (CHIP) provisions related to mental health and substance use disorder (SUD) care and coverage including provisions extending and expanding policies from the 2018 SUPPORT Act. Specifically, Section 203 requires monitoring and certain managing of antipsychotic medication for adults over 18 years of age receiving home-and-community-based services and residing in institutional care settings (ex. nursing homes) starting in March 2026. The changes required by SB 111 may impact the State's compliance with the SUPPORT Act, putting federal matching dollars at risk.

To help facilitate access to these critical drugs, the Department has other policies in place to help individuals receive prescriptions when certain situations or emergencies arise. First, as stated in the Code of Maryland Regulations (COMAR), the Department allows for a 30-day emergency supply of atypical antipsychotic drugs not on the preferred drug list (PDL).² This ensures individuals will not have a gap in their medications while prior authorization issues are being resolved. In addition, the Department has a grandfather policy³ in place to ensure that individuals who have been on the prescribed drug before they enroll in Maryland Medicaid are able to receive a supply while their prescription undergoes the prior authorization process, preventing a lapse in coverage.

If you would like to discuss this further, please do not hesitate to contact Sarah Case-Herron, Director of Governmental Affairs at sarah.case-herron@maryland.gov.

Sincerely,



Laura Herrera Scott, M.D., M.P.H.
Secretary

¹ <https://www.govinfo.gov/content/pkg/PLAW-115publ271/pdf/PLAW-115publ271.pdf>

² <https://www.govinfo.gov/content/pkg/PLAW-115publ271/pdf/PLAW-115publ271.pdf>
<https://dsd.maryland.gov/regulations/Pages/10.09.03.06.aspx>

³ <https://health.maryland.gov/mmcp/pap/docs/Antipsychotic%20Review%20Programs/Tier%202%20%20and%20%20NPD%20Clinical%20Criteria.pdf>

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Position: INFO

WES MOORE
Governor

ARUNA MILLER
Lieutenant Governor



HELENE GRADY
Secretary

MARC L. NICOLE
Deputy Secretary

SENATE BILL 111 Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness

STATEMENT OF INFORMATION

DATE: January 29, 2025

COMMITTEE: Finance

SUMMARY OF BILL: Senate Bill 111 seeks to prohibit the Maryland Medical Assistance Program, as well as insurers, nonprofit health service plans, health maintenance organizations, and managed care organizations, from applying prior authorization, fail-first protocol, or step therapy rules for prescription drugs used to treat certain mental illnesses (bipolar disorder; schizophrenia; major depression; post-traumatic stress disorder; medication-induced movement disorder associated with the treatment of a serious mental illness).

EXPLANATION:

The State Employee and Retiree Health and Welfare Program does include prior authorization or step therapy rules for a limited number (5) of drugs associated with the mental health conditions indicated in the bill.

Using current utilization data through November 2024, the estimated annual incremental cost impact to the State is projected to be \$500,000 to \$1,000,000 (0.15% - 0.3% of total cost) after rebates. Increased utilization should be expected if utilization management criteria are lifted. In addition to the annual cash expense impact, any/all increases in benefits cost also impact long-term liabilities for Other Post Employment Benefits (OPEB). DBM estimates that the provisions in the bill would increase the State's net OPEB liability by \$1.4 million to \$2.9 million.

The resulting impact on key OPEB metrics is summarized below:

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<http://dbm.maryland.gov>

Increase in Net OPEB Liability	\$1,446,000 - \$2,893,000
Increase in OPEB Expense (Year 1)	\$1,566,000 - \$3,133,000
Increase in OPEB Expense (Years 2+)	\$122,000 - \$244,000

The provisions of Senate Bill 111 are estimated to increase State prescription drug costs (net of rebates) for retirees and associated dependents who are not eligible for Medicare by 0.15%-0.30% effective July 1, 2025, on top of normal assumed trends.

The potential impact of SB111 on other employer plans will vary and will be dependent on the specific formularies and clinical rules utilized by each plan. It is not uncommon for plan sponsors to have prior authorization or step therapy requirements in place for certain of the drug categories specified in SB111.

We think the impact to other employers will, on average, be an increase in cost similar to the range estimated for the State or 0.15% to 0.30% and would also be subject to change based on future new brand and generic drug introductions within the affected drug categories.

**For additional information, contact Dana Phillips at
(410) 260-6068 or dana.phillips@maryland.gov**