

MARYLAND PSYCHIATRIC SOCIETY



February 13, 2026

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

Support: Senate Bill 490: Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription Drugs to Treat Serious Mental Illness

Dear Chairwoman Beidle & 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/WPS represent over 1200 psychiatrists and physicians currently in psychiatric training.

MPS/WPS strongly support Senate Bill 490: Health Insurance – Step Therapy or Fail-First Protocol and Prior Authorization. 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 often have negative consequences for patients, especially for individuals being treated for a mental illness and/or substance use disorder.

Patients with serious mental illness have high rates of medication nonadherence and are vulnerable to treatment disruptions. In a national study of dual-eligible psychiatric patients, 43.3% were unable to obtain clinically indicated medications due to coverage restrictions, 28.9% discontinued or temporarily stopped medications due to coverage issues, and patients subjected to step therapy had 2.4 to 3.4 times increased likelihood of adverse events compared to those without such restrictions. (J Clin Psychiatry 2010 Apr;71(4):400-10. doi: 10.4088/JCP.08m04608whi.)

Another study found that step therapy for antidepressants reduced overall medication use while increasing mental health-specific inpatient and emergency room utilization and costs. (Am J Psychiatry 2010 Oct;167(10):1202-9.)

Research on Medicaid formulary restrictions found that 69% of patients resumed the same medication after mental health-related hospitalization, and restrictions increased the likelihood of returning to previously failed treatments by 20.1% or ceasing treatment altogether by 11.6%. (Am J Manag Care. 2014 Mar;20(3):219-28.)

In stepwise pharmacotherapy for depression, patients requiring more treatment steps (Step 4 versus Steps 1-3) had significantly higher relapse rates, even after adjusting for baseline severity and other covariates. (J Affect Disord 2021 Oct 1:293:109-116. doi: 10.1016/j.jad.2021.06.015. Epub 2021 Jun 18.)

- **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.

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- **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.

Step therapy protocols in serious mental illness are associated with increased hospitalizations, emergency department visits, and higher overall costs, while individualized treatment approaches demonstrate improved remission rates and reduced relapse risk.

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, we ask the committee for a favorable report on SB490.

If you have any questions regarding this testimony, please contact MPS lobbyist, Lisa Harris Jones at lisa.jones@mdlobbyist.com.

Respectfully Submitted,
The Maryland Psychiatric Society & Washington Psychiatric Society
Legislative Action Committee