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CONSUMER PROTECTION DIVISION
HEALTH EDUCATION AND ADVOCACY UNIT**

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January 26, 2026

To: The Honorable Pamela Beidle, Chair
Finance Committee

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

Re: Senate Bill 0205 - Health Insurance - Mental Health and Substance Use Disorders
- Codification of Federal Requirements-**SUPPORT**

The Office of the Attorney General’s Health Education and Advocacy Unit (HEAU) supports SB 205 which codifies into Maryland law key consumer protection provisions of the 2024 Federal Rule strengthening enforcement of the Mental Health Parity and Addiction Equity Act (MHPAEA) of 2008’s parity requirements for mental health and substance use disorder (MH/SUD) treatment and dissociates Maryland law from federal provisions offering less protection.

Finding that “the United States of America continues to experience a mental health and substance use disorder crisis”, and noting that “in the almost 16 years since the enactment of MHPAEA, disparities in coverage between mental health and substance use disorder (MH/SUD) benefits and medical/surgical (M/S) benefits have persisted and grown,” the US Department of Labor, in 2024, finalized Federal Rules intending to further MHPAEA's fundamental purpose – to ensure that individuals in group health plans or group or individual health insurance coverage who seek treatment for covered MH conditions or SUDs do not face greater burdens on access to benefits for those conditions or disorders than they would face when seeking coverage for the treatment of a medical condition or a surgical procedure.” [*Fact Sheet: Final Rules under the Mental Health Parity and Addiction Equity Act \(MHPAEA\)*](#)

The rules were intended to improve network composition by making mental health and substance use disorder provider networks more robust and making it easier for individuals seeking mental health and substance use disorder care to receive it by cutting red tape, with fewer and less restrictive prior authorization requirements and other medical management techniques to navigate.

Unfortunately, in May 2025, federal agencies announced that they will no longer enforce provisions of the 2024 Final Rule, leaving consumers vulnerable to discriminatory practices.

The bill continues Maryland's efforts to protect consumers by incorporating critical provisions from the 2024 Final Rule into Maryland law, including:

- Definitions of MH/SUD consistent with the International Classification of Diseases and the Diagnostic and Statistical Manual of Mental Disorders;
- A prohibition on the use of discriminatory factors and evidentiary standards in designing nonquantitative treatment limitations (NQTLs), such as prior authorization, step therapy, and provider network standards;
- Requirements for carriers to collect, evaluate, report, and act on outcomes data for NQTLs; and
- A mandate to offer meaningful MH/SUD benefits on par with medical/surgical services.

This bill ensures that individuals seeking MH/SUD treatment receive equitable coverage, removing discriminatory barriers and improving access to necessary behavioral health care. It also provides the Maryland Insurance Administration (MIA) with the tools needed to enforce these protections effectively.

Given the federal government's decision to halt enforcement and the risk of further erosion of consumer protections, this legislation is essential to safeguard Marylanders' rights and maintain strong parity standards.

We urge a favorable report.