



February 17, 2026

**Senate Finance Committee
TESTIMONY IN SUPPORT**

SB 490 - Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription Drugs 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 490 - Maryland Medical Assistance Program - 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 Assisted Outpatient Treatment (AOT) demand high-intensity services and relatively high levels of funding. It is essential for program participants to receive the medication that works best for them to avoid further instability and higher costs. 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.

SB 490 is a reasonable approach to ensuring effective treatment of serious mental illness while managing state costs. Many other states have enacted a similar policy and have not experienced significant cost increases. A recent study of Michigan residents with serious mental illness found that its

prohibition on fail first policies resulted in lower costs and better care than in comparable states without this prohibition.⁵ Maryland should join the 24 other states that have adopted this approach.

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 490.**

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/>.

⁵ Patel, Rashmi, et al., "Open Access to Antipsychotics in State Medicaid Programs: Effect on Healthcare Resource Utilization and Costs Among Patients with Serious Mental Illness," Journal of Health Economics and Outcomes Research, 2025. Available at <https://jheor.org/article/137909-open-access-to-antipsychotics-in-state-medicaid-programs-effect-on-healthcare-resource-utilization-and-costs-among-patients-with-serious-mental-illne>.