

inseparable

January 28, 2026

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

Via electronic submission

RE: Support for SB 205 (Mental Health and Substance Use Disorders - Codification of Federal Requirements)

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

On behalf of Inseparable, a national nonprofit organization focused on closing the treatment gap for people with mental health and substance use conditions, I write in strong support of Senate Bill 205, legislation requested by the Maryland Insurance Administration (MIA) to codify key protections from the 2024 federal Mental Health Parity and Addiction Equity Act (MHPAEA) rule into Maryland law.

Why SB 205 Is Necessary Now

Mental health parity has been federal law for more than 15 years, yet too often it exists only on paper. Maryland families are told that mental health and substance use services are “covered,” but then encounter inequitable barriers to care. MIA, as well as federal agencies, have repeatedly found that insurers have failed to demonstrate compliance with parity requirements, particularly for nonquantitative treatment limitations such as prior authorization, network design, and medical necessity criteria.

The 2024 federal parity rule was adopted to improve parity compliance by clarifying obligations around meaningful benefits, data-driven oversight, and nondiscriminatory standards. That rule is now under threat at the federal level due to litigation and potential rollbacks. SB 205 ensures that Marylanders’ parity rights are maintained.

Ensuring Meaningful Mental Health and Substance Use Benefits

SB 205 makes clear that, when a health benefit plan provides medical/surgical benefits within a parity classification (e.g. in-network outpatient), it must also provide meaningful mental health and substance use benefits within that same classification. This includes coverage of core treatments to treat mental health and substance use conditions. Too often, plans technically cover mental health or substance use conditions while excluding

such core treatments, leaving Marylanders without equitable mental health and substance use coverage.

Using Data to Identify and Address Access Disparities

A key strength of SB 205 is its focus on real-world access. The bill requires carriers to collect and evaluate data to assess how non-quantitative treatment limitations affect access to mental health and substance use benefits compared to medical/surgical benefits within the same parity classifications. When this data shows material differences in access, those disparities are treated as strong indicators of noncompliance. Importantly, carriers must also take reasonable actions to address identified disparities, ensuring that parity enforcement is grounded in outcomes for patients, not just written policies.

Prohibiting Discriminatory Standards

SB 205 reinforces a core principle of parity: insurers may not rely on biased or discriminatory factors, evidentiary standards, or information sources when designing or applying treatment limitations to mental health or substance use care. This common-sense provision prohibits insurers from justifying discriminatory practices by pointing to sources that are themselves biased against mental health or substance use conditions.

Precedent in Other States

We commend the Maryland Insurance Administration for its leadership on parity enforcement and for requesting this legislation. Importantly, Maryland would not be acting alone. In 2025, both Washington and Colorado enacted legislation to codify the 2024 federal parity rule into state law. Inseparable worked closely with lawmakers and regulators in both states on those efforts, reflecting growing national momentum.

We respectfully urge the Committee to issue a favorable report on Senate Bill 205. If you would like to discuss this issue further, please reach me at david@inseparable.us.

Sincerely,

A handwritten signature in blue ink that reads "David Lloyd". The signature is written in a cursive, flowing style.

David Lloyd
Chief Policy Officer, Inseparable