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**SB 490 - Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and
Prior Authorization - Prescription Drugs to Treat Serious Mental Illness
Senate Finance Committee
February 17, 2026
FAVORABLE**

Chair Beidle, Vice Chair Hayes, and members of the Senate Finance Committee, thank you for the opportunity to submit written testimony in support of Senate Bill 490. On behalf of AARP Maryland and our 850,000 members across the state, I urge the committee to pass Senate Bill 490, Step Therapy, Fail-First Protocols, and Prior Authorization, Prescription Drugs to Treat Serious Mental Illness. We thank Senator Lam for sponsoring this important legislation.

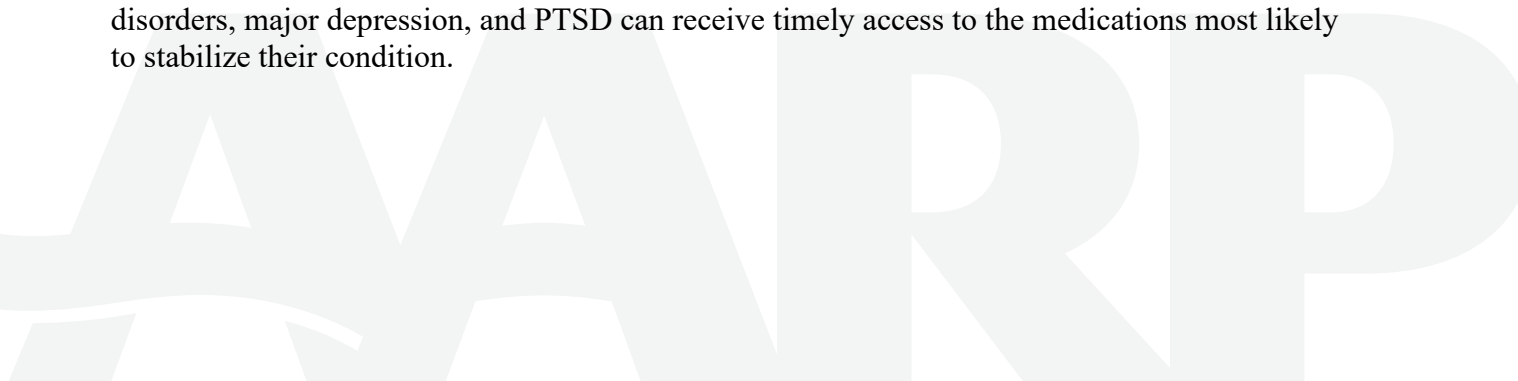
My name is Dr. Lois Meszaros, and I am a licensed psychologist with a clinical practice in Anne Arundel County. As a mental health care provider, I can attest that for individuals living with serious mental illness, timely access to appropriate medications can be lifesaving. Step therapy, fail-first protocols, and prior authorization requirements interfere with that access, often forcing patients to try ineffective or less-appropriate treatments before they can receive the medication their clinician believes is best for them.

These delays are medically dangerous and financially short-sighted. While these policies may appear to reduce immediate costs, research consistently shows that restricting access to appropriate mental health medications increases overall healthcare spending due to hospitalizations, emergency department visits, homelessness, and involvement with the criminal justice system. Early and effective treatment reduces both human suffering and downstream costs.

Decisions about psychiatric medication should rest solely between a patient and their mental health provider, not with Medicaid or a pharmacy benefit manager. When Medicaid opts for the least-cost medication rather than the most effective one, patients may spend weeks or months “failing” on the wrong drug. In the long run, those failures are far more expensive than providing the right medication at the outset.

What SB 490 Does

SB 490 eliminates fail-first/step therapy protocols for Medicaid beneficiaries living with serious mental illness. This ensures that Marylanders with bipolar disorder, schizophrenia spectrum disorders, major depression, and PTSD can receive timely access to the medications most likely to stabilize their condition.



Reasons to Support SB 490

- An estimated 1.4 million adults in Maryland live with a mental health condition, and at least 375,000 live with serious mental illness.
- Medication is often essential for managing these conditions, but psychiatric medications are not interchangeable. Side effects, drug interactions, and individual variability mean one size does not fit all.
- Untreated or undertreated mental illness can lead to loss of brain tissue, neurological harm, increased suicidal ideation, co-occurring conditions, and higher substance use.
- Policies that delay access to the correct medication drive expensive outcomes such as emergency care, hospitalization, homelessness, and incarceration.
- Treatment delays caused by fail-first protocols create unacceptable risks in conditions where every week matters.

Research Supporting Reform

A study in the American Journal of Managed Care found that states without formulary restrictions on antipsychotics spent less in total medical expenditures than those with restrictions (\$16,171 vs. \$18,897). Additional studies show that policies resembling fail-first or restrictive formularies result in higher healthcare costs, treatment delays, and reduced patient stability. A 2025 study comparing Michigan (which banned fail-first for mental health medications in 2004) to several other states found that Michigan Medicaid patients with serious mental illness experienced lower hospitalization rates, shorter hospital stays, and lower total treatment costs.

This real-world evidence shows that eliminating fail-first protocols not only improves patient outcomes, but also reduces overall state spending.

Conclusion

Fail-first protocols jeopardize the health and safety of people living with serious mental illness. SB 490 represents both evidence-based health care policy and fiscally responsible governance.

AARP Maryland respectfully urges a favorable report on SB 490 to ensure that Medicaid beneficiaries receive the right treatment at the right time.

If you have any questions, please contact Sara Westrick at swestrick@aarp.org or 410-310-0374.