



January 28, 2026

The Honorable Pamela Beidle  
Chair, Senate Finance Committee  
3 East Miller Senate Office Building  
11 Bladen Street  
Annapolis, MD 21401

**Re: SB 205 - Health Insurance - Mental Health and Substance Use Disorders -  
Codification of Federal Requirements – Letter of Support**

Dear Chair Beidle and Committee Members,

The Maryland Health Care Commission (MHCC) is submitting this letter of support on *SB 205 - Health Insurance - Mental Health and Substance Use Disorders - Codification of Federal Requirements*. The bill codifies provisions of the Code of Federal Regulations related to mental health parity and clarifies the authority of the Maryland Insurance Administration (MIA) to enforce the provisions. The bill requires health insurance carriers to collect and report on data related to access to benefits, provide benefits for mental health conditions or substance use disorders under certain circumstances and to explain differences in access to care under certain circumstances. The Maryland Insurance Commissioner would be required to review reports from carriers and provide notice to them of noncompliance with State law and regulations.

Mental health parity is a legal requirement ensuring that health insurance plans provide the same level of coverage for mental health and substance use disorders as they do for physical medical and surgical conditions. Under parity laws and regulations, financial requirements such as copays and deductibles, as well as treatment limits like visit caps, must be comparable to and no more restrictive than those applied to physical illnesses despite the principle of mental health parity having long been enshrined in law through the 1996 Mental Health Parity Act and the 2008 Mental Health Parity and Addiction Equity Act (MHPAEA).

At the end of the Biden Administration on September 9, 2024, from the U.S. Departments of Health and Human Services (HHS), Labor, and the Treasury released the final rules that made an important update to the regulations implementing the MHPAEA. The new rules amended the final rule of 2013 and introduced new requirements aimed at strengthening parity protections for mental health and substance use disorder benefits. For example, the

rule would have required plans to collect key outcomes data and take corrective action if that data showed material differences in access to mental health and substance use disorder care compared to physical medical/surgical care. The U.S. Departments of Labor, Health and Human Services and Treasury are currently reconsidering the 2024 Final Rule and not enforcing it.<sup>1</sup>

SB 205 seeks to codify under State law and clarify that health insure carriers are required to collect and evaluate data and report on their compliance to address material differences in access to mental health and substance use disorders treatment benefits as compared to medical/surgical benefits that result from application of nonquantitative treatment limitation (NQTLs), where the relevant data suggest that the NQTL contributes to material differences in access. Additionally, the bill further clarifies the authority of the MIA to cite insurers for non-compliance and impose penalties.

Access to mental health services and substance use treatment services is increasingly difficult because many providers are out-of-network. One study found that Maryland is one of the states with the highest disparity between out-of-network use for behavioral health treatment compared to medical/surgical treatment, and low reimbursement rates are cited as one cause.<sup>2</sup> SB 205 is a step to ensure compliance with the parity law and ensuring access to mental health and substance use treatment services.

Therefore, the MHCC asks for a favorable report on SB 205.

Sincerely,



Douglas Jacobs, MD, MPH  
Executive Director

cc: Senate Finance Committee

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<sup>1</sup> <https://www.cms.gov/files/document/statement-regarding-enforcement-final-rule-requirements-related-mhpaea.pdf>

<sup>2</sup> Mark, T. & Parish, William, Research Triangle Institute. (2024). *Behavioral Health Parity- Pervasive Disparities in Access to In-network Care Continue*, [https://mamh-web.files.svcdcdn.com/production/files/RTI Behavioral Health Parity Report](https://mamh-web.files.svcdcdn.com/production/files/RTI_Behavioral_Health_Parity_Report). [https://mamh-web.files.svcdcdn.com/production/files/RTI Behavioral Health Parity Report.pdf](https://mamh-web.files.svcdcdn.com/production/files/RTI_Behavioral_Health_Parity_Report.pdf)

