



Maryland Community Health System

Committee:	Senate Finance Committee
Bill:	Senate Bill 205 – Health Insurance - Mental Health and Substance Use Disorders - Codification of Federal Requirements
Hearing Date:	January 28, 2026
Position:	Support

The Maryland Community Health System (MCHS) supports Senate Bill 205 – Health Insurance - Mental Health and Substance Use Disorders - Codification of Federal Requirements. Maryland Community Health System is a network of federally qualified health centers (FQHC) across the state whose mission is to provide care to underserved communities.

The bill clarifies that if a health benefit plan offers medical or surgical coverage within a particular parity classification, it must also offer meaningful mental health and substance use disorder benefits within that same category. This includes coverage for the essential treatments needed to effectively address mental health and substance use conditions. Typically, insurers claim to cover behavioral health care while excluding these core services, creating gaps that deny individuals fair and comparable access to mental health and substance use treatment.

Additionally, the bill directs insurance carriers to gather and analyze data to determine whether non-quantitative treatment limitations create unequal access to mental health and substance use disorder services compared to medical and surgical care within the same parity categories. When the data reveals meaningful differences in access, those gaps are considered clear signals of potential parity violations. The bill also goes a step further by requiring carriers to take reasonable corrective actions to address these disparities, ensuring that parity enforcement is based on patient access and outcomes rather than solely on policy language.

Strengthened parity enforcement and improved data transparency can help reduce uncompensated care burdens on FQHCs by making it easier for patients to access covered services through their insurance. FQHCs typically serve a large share of patients with complex needs, including uninsured or underinsured individuals with co-occurring physical and behavioral health conditions; ensuring that insurance carriers adhere to parity requirements helps keep behavioral health integrated with primary care, reduces avoidable emergency care

utilization, and supports financial sustainability. The bill would help FQHCs fulfill their mission of comprehensive, patient-centered care for vulnerable Maryland residents.

We ask for a favorable report on the bill. If we can provide any further information, please contact Michael Paddy mpaddy@policypartners.net.