

LCPCM-SB 205 - Health Insurance - Mental Health an

Uploaded by: Andrea Mansfield

Position: FAV



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

The Licensed Clinical Professional Counselors of Maryland (LCPCM) support SB 205 – Health Insurance – Mental Health and Substance Use Disorders – Codification of Federal Requirements. Federal law, including the *Mental Health Parity and Addiction Equity Act* (MHPAEA) and Affordable Care Act requirements, already requires parity where MH/SUD is covered. This bill brings state law into clear alignment and reinforces enforcement mechanisms.

SB 205 specifically,

- Strengthens consumer protection by making it easier to identify and correct discriminatory practices where insurers limit mental health and substance use care more than comparable medical care;
- Supports parity in coverage so that individuals with MH/SUD needs receive care benefits comparable to physical health services (e.g., no more restrictive limits on visits, prior authorizations, or out-of-pocket costs);
- Improves accountability by empowering regulators with clearer legal tools to enforce compliance and ensure robust access to mental health and addiction services; and,
- Standardizes reporting to help policymakers and advocates better track utilization and barriers to care.

LCPCM urges the Committee to give SB 205 a FAVORABLE Report.

Please contact Andrea Mansfield at amansfield@maniscanning.com or (410) 562-1617 if we can provide additional information.

MDOD_SB0205_FAV_FIN_2026.01.26.pdf

Uploaded by: Anne Blackfield

Position: FAV



BILL: SB 205

POSITION: FAV - Favorable

COMMITTEE: FINANCE

DATE: January 26, 2026

SUBMITTED BY: Maryland Department of Disabilities
217 East Redwood Street, Suite 1300
Baltimore, MD 21202

Dear Chair Beidle,

The Maryland Department of Disabilities (MDOD) is pleased to submit this letter of support for **SB 205, Health Insurance - Mental Health and Substance Use Disorders - Codification of Federal Requirements**. SB 205 would codify into state law certain provisions requiring that insurance coverage for mental health and substance use disorder services has parity with insurance coverage for somatic health services.

Individuals with disabilities are twice as likely to experience co-occurring conditions such as anxiety, depression, and substance use disorder. This legislation recognizes the crucial need to ensure that mental health and substance use disorder services are subject to no stricter requirements than those applied to services for somatic conditions.

MDOD respectfully requests a **favorable report on SB 205**. Thank you for ensuring that people with disabilities have the best access possible to the insurance coverage they need.

Sincerely,

A handwritten signature in black ink that reads "Carol A. Beatty".

Carol A. Beatty
Secretary, Department of Disabilities

SB205.pdf

Uploaded by: Ashley Clark

Position: FAV

MARYLAND PSYCHIATRIC SOCIETY



March 12, 2025

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The Honorable Pamela Beidle
Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

Support: Senate Bill 205: Health Insurance - Mental Health and Substance Use Disorders -
Codification of Federal Requirements

Dear Chairwoman Beidle & Members of the Committee:

The Maryland Psychiatric Society (MPS) and the Washington Psychiatric Society (WPS) are state medical organizations whose physician members specialize in diagnosing, treating, and preventing mental illnesses, including substance use disorders. Formed more than sixty-five years ago to support the needs of psychiatrists and their patients, both organizations work to ensure available, accessible, and comprehensive quality mental health resources for all Maryland citizens and strive through public education to dispel the stigma and discrimination of those suffering from a mental illness. As the district branches of the American Psychiatric Association covering the state of Maryland, MPS/WPS represent over 1200 psychiatrists and physicians currently in psychiatric training.

MPS and WPS strongly support SB205 which would integrate current federal parity requirements into Maryland law. While current Maryland laws require parity of mental health/substance abuse treatment with that of medical/surgical conditions, they do not go as far as current federal requirements in specifying an effective enforcement structure. These requirements direct special scrutiny to *non-quantitative limitations*, such as prior authorization, medical necessity standards, and network design. By incorporating federal requirements, the bills would compel insurance companies to perform analyses comparing outcomes of mental health and medical/surgical patients, explain and current any disparities, and be transparent about the origin and validity of non-quantitative treatment limitations applied to mental health/substance abuse patients. Within this framework, the Maryland Insurance Commission would be more effectively empowered to undertake regulatory actions.

Psychiatrists, patients, and families have all experienced the helplessness and heartbreak when patients are discharged from inpatient units still compromised by their symptoms because, based on their abstruse internal criteria, they are determined to no longer require that level of care. Similar experiences occur when patients needing urgent help find that psychiatrists on their insurance network are not accepting new patients; or when patients suffer severe symptoms while the insurance company requires them to try medications unlikely to help--before they are allowed access to the one originally prescribed by their doctor. Psychiatric patients are especially sensitive to these disruptions. They are more likely to give up or reject treatment, leading to a course of further deterioration.

Indeed, available evidence shows that Insurance companies' non-quantitative treatment limitations (NQTs) on mental health coverage are associated with reduced access to care, treatment delays, and increased financial strain. Narrow provider networks and restrictive utilization review criteria create significant barriers to mental health treatment. Patients with mental health conditions rate their mental health provider networks as inadequate more than twice as often as their medical provider networks (21% vs 10%). These network inadequacies stem from lower psychiatrist participation in insurance networks—approximately 35% of psychiatrists opt out of managed care networks compared to 8-12% of other specialists.¹

¹ Assessment of Perceptions of Mental Health vs Medical Health Plan Networks Among US Adults With Private Insurance. JAMA Network Open. 2021. Busch SH, Kyanko K.

MARYLAND PSYCHIATRIC SOCIETY



Overly restrictive utilization review criteria that fail to conform to accepted professional standards have been identified as a key mechanism of discrimination against patients with mental disorders.¹ Finally, a review by researchers at Johns Hopkins Medicine found that in behavioral health, *multiple studies* link prior authorization to treatment interruptions, higher relapse rates, and worse outcomes for people with psychiatric illness or substance use disorders, whereas *removing these restrictions* increased treatment starts and reduced relapses and emergency visits.²

To conclude, the mental health crisis in this country is widely acknowledged. An important contributor is an insurance system that uses non-quantitative limitations that the evidence suggests discriminates against mentally ill and substance abuse patients, leading to added suffering, loss of productivity and life rewards, and even harm. The codifying of federal parity regulations into state law is an essential step forward. It subjects insurance practices to outside scrutiny, dictates the process for detecting disparities and rectifying them, and equips the Maryland Insurance Administration for far more effective enforcement.

For these reasons, MPS & WPS strongly support SB205. If you have any questions regarding this testimony, please contact MPS lobbyist, Lisa Harris Jones at lisa.jones@mdlobbyist.com.

Respectfully Submitted,
The Maryland Psychiatric Society & Washington Psychiatric Society
Legislative Action Committee

¹ Holding Insurers Accountable for Parity in Coverage of Mental Health Treatment. Psychiatric Services. 2020. Appelbaum PS, Parks J.

² Adverse effects of health plan prior authorization on clinical effectiveness and patient outcomes: A systematic review
Murphy, Jacob et al.
The American Journal of Medicine, Volume 139, Issue 1, 24 - 32.e1

Written Testimony - SB 205 MH Parity 2026.pdf

Uploaded by: Cari Cho

Position: FAV



**Testimony on Senate Bill 205
Senate Finance Committee
January 28, 2026**

POSITION: SUPPORT

My name is Cari Guthrie, and I am the President and CEO of Cornerstone. We provide mental health and substance use services in Montgomery, Calvert, Charles and St. Mary's Counties. I am providing this testimony to request that the committee support SB 205 regarding Mental Health and Substance Use Disorders and Codify the Federal requirements.

In 2024 Maryland and the Federal Government passed legislation to strengthen the Mental Health Parity and Addiction Equity Act. This ensures that consumers can get meaningful, non-discriminatory coverage for behavioral health care. **With federal anti-discrimination protections under attack, Maryland needs to codify these requirements so that we do not roll back equitable access to lifesaving care.**

Approximately 1 million Maryland adults (22% of the population), have a mental health condition and 16% have a substance use disorder, but far too many still cannot access the treatment they need. Most often, cost is a factor. Almost half of Marylanders ages 12 - 17 with a depressive disorder did not receive any services in the last year. Nearly 80% of those who needed substance use treatment did not get it. Probably most notable - Marylanders are forced to go out of network for MH/SUD services almost 10 times more than for medical/surgical office visits). This is even worse for psychiatrists and psychologists. In fact, Maryland is 4th worst in the country for this statistic. That means that there are thousands of people not able to access treatment. That will lead to higher suicide and overdose rates as well as hospitalizations, homelessness, and incarcerations.

As a behavioral health provider in the public behavioral health system, we are able to provide amazing services to people who are eligible for Medicaid - a robust continuum of services. One of the phone calls that I dread the most, is family members who have insurance but can't find providers in their network and can't access services that would be life changing - such as psychiatric rehabilitation or supported employment. While we are credentialed with several private insurers, there are always limits on what is covered or copayments that limit their ability to pay. I have to tell family members, "I'm sorry, but that insurance doesn't cover most of the services we provide. We could see them in our clinic, but there isn't anything else we can do." Offering sliding scales or private pay is not always enough.

As a mother of a child with depression and anxiety, I am well aware of the challenges of finding an appropriate provider that is in network. Finding an in network provider, who meets my child's needs - LGBTQ friendly, younger than 45, and Asian can be daunting and almost impossible. Out of network providers are just too costly, even for those who may have more resources. It should not be this hard to find a provider for behavioral health treatment. It is too important for people of all demographics.



This bill does the following:

- Prohibit the use of discriminatory information, evidence, sources, and standards in the design and application of treatment limitations;
- Require coverage of meaningful benefits – core treatments – of MH/SUD in every classification in which meaningful benefits are covered for medical and surgical conditions; and
- Clarify the Maryland Insurance Administration’s (MIA) authority to enforce parity protections based on state regulations, in addition to the federal law.

This bill will allow Maryland to preserve current parity protections so we don’t exacerbate access to MH/SUD care. This bill will allow Marylanders to have better access to the care that they need - on a level that matches their access to medical and surgical conditions. We know that mental health IS part of physical health. The two go hand in hand and cannot be supported at different levels of care - there is just too much interaction between them.

Please support the MIA’s bill, S.B. 205: Health Insurance – Mental Health and Substance Use Disorders – Codification of Federal Requirements.

MC Federation of Families Testimony in Support SB

Uploaded by: Celia Serkin

Position: FAV



Montgomery County Federation of Families for Children's Mental Health,
Inc. Colesville Professional Center
13321 New Hampshire Avenue, Terrace B
Silver Spring, MD 20904
301-879-5200 (phone number)
301-879-0012 (fax number)
info@mcfof.org (email) www.mcfof.org (website)

January 28, 2026

Senate Finance Committee
TESTIMONY IN SUPPORT
SB 205 Health Insurance – Mental Health and Substance Use Disorders –
Codification of Federal Requirements

I am Celia Serkin, Executive Director of the Montgomery County Federation of Families for Children's Mental Health, Inc. (MC Federation of Families), a family peer-led support organization serving diverse families in Montgomery County who have children, youth, and/or young adults with mental health, substance use, or co-occurring challenges. MC Federation of Families has been providing family peer services to families in Montgomery County for 20 years. Our Family Peer Specialists are parents who have raised or are currently raising children with these challenges. I am a Montgomery County resident and have two children, now adults, who have struggled since childhood with behavioral health challenges. My son has suffered from debilitating depression for many years. My daughter is a Certified Peer Recovery Specialist who has lived experience with co-occurring challenges.

MC Federation of Families strongly supports SB 205. This is the bill that would protect Marylanders from ongoing federal rollbacks of the Mental Health Parity and Addiction Equity Act (MHPAEA). Consistent with federal regulations, the 2026 Parity Protection bill (SB 205) would:

- Define “mental health benefits” and “substance use disorder benefits;”
- Require health plans to collect, evaluate, and explain data to assess the impact on access to mental health/substance use disorder care;
- Prohibit the use of discriminatory information, evidence, sources, and standards in the design and application of treatment limitations;
- Require coverage of meaningful benefits – core treatments – of mental health/substance use disorder in every classification in which meaningful benefits are covered for medical and surgical conditions; and
- Clarify the Maryland Insurance Administration's (MIA) authority to enforce parity protections based on state regulations, in addition to the federal law.

Approximately 22% of Maryland adults have a mental health condition and 16% have a substance use disorder, but far too many still cannot access the treatment they need.

- Of the 314,000 Maryland adults who needed but did not receive mental health treatment, cost was a prevailing factor.

- Almost half (46%) of Marylanders ages 12-17 with a major depressive episode did not receive any mental health services in the prior year.
- Nearly 80% of Maryland adults who needed substance use disorder treatment did not receive it in 2023.
- Marylanders are forced to go out-of-network for mental health/substance use disorder office visits 8.7 times more frequently than for medical/surgical office visits (4th worst in the country), with even greater disparities for psychiatrists and psychologists as compared to medical/surgical physicians.

Overdose deaths are finally decreasing in Maryland, but we are still losing far too many. We must preserve current federal parity protections so the federal government does not exacerbate access to mental health/substance use disorder care.

MC Federation of Families urges the Senate Finance Committee to support MIA's bill, SB 205.

MATOD - 2026 SB 205 FAV - MH and SUD - Codificatio

Uploaded by: Connie Dausch

Position: FAV



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MedMark Treatment Centers

HAshkin@MedMark.com



Mailing Address

c/o IBR REACH Health Services

2104 Maryland Avenue

Baltimore, MD 21218



www.matod.org

Senate Finance Committee

January 28, 2026

Senate Bill 205 - Health Insurance - Mental Health and Substance Use Disorders - Codification of Federal Requirements **FAVORABLE**

While Congress passed the Mental Health Parity and Addiction Equity Act more than 15 years ago, Marylanders continue to struggle to get their mental health and substance use disorder (MH/SUD) issues sufficiently addressed with the health insurance they pay for.

Over the years, the Maryland General Assembly has passed bills to try to ensure compliance by carriers and proper oversight by the Maryland Insurance Administration (MIA).

A 2024 federal Parity rule was adopted at the federal level to improve parity compliance by clarifying obligations around meaningful benefits, data-driven oversight, and nondiscriminatory standards.

Now, these rules that help people access care are under threat. The MIA is taking the proactive step of codifying important pieces of federal regulations that could be repealed. This legislation proposes to put into Maryland components of existing federal regulations, including:

- Requiring health plans to collect, evaluate, and explain data to assess the impact on access to MH/SUD care;
- Prohibiting the use of discriminatory information, evidence, sources, and standards in the design and application of treatment limitations;
- Requiring coverage of core MH/SUD treatments in every classification in which meaningful benefits are covered for medical and surgical conditions; and

The legislation also clarifies the MIA's authority to enforce Parity protections based on state regulations, in addition to the federal law.

We urge this committee to give a favorable report to this legislation.

MATOD members include community and hospital based Opioid Treatment Programs, local Health Departments, local Addiction and Behavioral Health Authorities and Maryland organizations that support evidence-based Medication Assisted Treatment. MATOD members include thousands of highly trained and dedicated addiction counselors, clinical social workers, physicians, nurse practitioners, physician assistants, nurses, peer recovery specialists and dedicated staff who work every day to save and transform lives.

Employer and institutional affiliations are provided for identification purposes only and do not convey employer and institutional positions

SB0205_MHAMD_FAV.pdf

Uploaded by: Dan Martin

Position: FAV

**Senate Bill 205 Health Insurance – Mental Health and Substance Use Disorders –
Codification of Federal Requirements**

Finance Committee

January 28, 2026

Position: FAVORABLE

Mental Health Association of Maryland (MHAMD) is a nonprofit education and advocacy organization that brings together consumers, families, clinicians, advocates and concerned citizens for unified action in all aspects of mental health (MH) and substance use disorders (SUD). We appreciate the opportunity to provide this testimony in support of Senate Bill 205.

In 2024, the U.S. Departments of Health and Human Services, Labor, and the Treasury issued new final rules implementing the Mental Health Parity and Addiction Equity Act (MHPAEA). The rules – which became effective on November 22, 2024 – include strong protections designed to ensure consumers can access meaningful, non-discriminatory coverage for mental health (MH) and substance use disorder (SUD) care. Consistent with these rules, and with Maryland’s interpretation and enforcement of MHPAEA, SB 205 will:

- Define “mental health benefits” and “substance use disorder benefits;”
- Require health plans to collect, evaluate, and explain data to assess the impact on access to MH/SUD care;
- Prohibit the use of discriminatory information, evidence, sources, and standards in the design and application of treatment limitations;
- Require coverage of meaningful benefits of MH/SUD in every classification in which meaningful benefits are covered for medical and surgical conditions; and
- Clarify the Maryland Insurance Administration’s (MIA) authority to enforce parity protections based on state regulations, in addition to the federal law.

The codification of these provisions ensures Marylanders seeking MH/SUD care are protected from any potential rollback of federal anti-discrimination requirements.

The General Assembly and the MIA have taken important steps over the years to improve access to MH/SUD care. Unfortunately, these efforts have yet to ensure that Marylanders with commercial insurance can access this care in-network when needed. According to an [independent national report](#)¹ published in 2024, Marylanders are nearly nine times more likely

¹ Mark, T. L., & Parish, W. J. (2024). Behavioral health parity – Pervasive disparities in access to in-network care continue. RTI International.

For more information, please contact Dan Martin at (410) 978-8865

to go out-of-network for behavioral health care versus primary care, a rate that is twice the national average and fourth worst in the nation.

In its [2025 NQTL/Parity compliance report](#) MIA notes “encouraging signs that carriers are improving in some respects.” However, the agency still identified multiple instances where carriers did not demonstrate compliance with MHPAEA, including in areas related to provider reimbursements, provider directories, and addressing provider shortages.²

We are making progress, but we are not out of the woods yet. Commercially insured Marylanders still face enormous challenges when attempting to access community MH/SUD care. The continued enforcement of strong consumer protections and anti-discrimination requirements is essential. **For these reasons, MHAMD supports SB 205 and urges a favorable report.**

² Maryland Insurance Administration (December 1, 2025). Nonquantitative Treatment Limitations and Data. 2025 Final Report. SB 684/Ch. 233, 2024 and HB 1074/Ch. 234, 2024.

SB 205_Codifying Fed Parity_BHSB_FAVORABLE.pdf

Uploaded by: Dan Rabbitt

Position: FAV



January 28, 2026

**Senate Finance Committee
TESTIMONY IN SUPPORT**

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

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 supports SB 205 - Health Insurance - Mental Health and Substance Use Disorders - Codification of Federal Requirements. This bill would strengthen the Maryland mental health and substance use parity law while codifying existing federal parity requirements. At a time when the federal government has been unpredictable, it is essential that Maryland take matters into their own hands and protect behavioral health consumers.

Maryland has been working to enforce mental health and substance use parity for many years. Progress has been made to increase accountability for health insurers, but gaps enforcement capacity remain. SB 205 would take meaningful steps towards providing the state with the tools it needs to make true parity a reality. These new provisions would provide specific guidelines for health insurers to use in defining mental health and substance disorders, strengthen data collection requirements, and provide new enforcement capabilities to the Maryland Insurance Administration. Most provisions mirror current federal guidelines and would serve as a backstop in the event of federal policy change.

Ensuring health insurance parity is essential to improving access to mental health and substance use services. Hundreds of thousands of Marylanders fail to obtain the behavioral health services they need every year. Issues related to insurance coverage play a large role in this lack of access. Nonquantitative barriers like prior authorization requirements and inadequate behavioral health networks are especially impactful. SB 205 is another step towards lowering these barriers and getting Maryland communities the services they need to thrive.

BHSB applauds the Maryland Insurance Administration for introducing this bill and is in strong support. **We urge the Senate Finance Committee to pass SB 205.**

For more information, please contact BHSB Policy Director Dan Rabbitt at 443-401-6142

SB0205_FAV_MedChi_HI - MH & Substance Use Disorder

Uploaded by: Danna Kauffman

Position: FAV



The Maryland State Medical Society
1211 Cathedral Street
Baltimore, MD 21201-5516
410.539.0872
Fax: 410.547.0915
1.800.492.1056
www.medchi.org

Senate Finance Committee

January 28, 2026

Senate Bill 205 – *Health Insurance – Mental Health and Substance Use Disorders – Codification of Federal Requirements*

POSITION: SUPPORT

The Maryland State Medical Society (MedChi), the largest physician organization in Maryland, **supports** *Senate Bill 205: Health Insurance – Mental Health and Substance Use Disorders – Codification of Federal Requirements*. This legislation has been introduced by the Maryland Insurance Administration (MIA) to align Maryland's mental health and substance use disorder parity law with the 2024 federal Final Rule.

On January 17, 2025, the ERISA Industry Committee filed *The ERISA Industry Committee v. United States Department of Health and Human Services et al.*, challenging the final Mental Health Parity and Addiction Equity Act rule published by the Departments of Labor, Treasury, and Health and Human Services (Departments) in September 2024. The complaint, filed in the United States District Court for the District of Columbia, asks the District Court to invalidate and prevent enforcement of the Final Rule. The Departments have requested that the litigation be held in abeyance while they reconsider the 2024 Final Rule, including whether to issue a notice of proposed rulemaking to rescind or modify the regulation through notice-and-comment rulemaking. The Departments have also stated that they will not enforce the 2024 Final Rule or pursue enforcement actions, based on a failure to comply that occurs prior to a final decision in the litigation, plus an additional 18 months.

Therefore, Senate Bill 205 will ensure that the protections put in place under the 2024 federal Final Rule will be enforceable in Maryland, regardless of whether the Final Rule is enforced at the federal level. Protections included in Senate Bill 205 require health plans to collect and evaluate relevant data to assess the impact on access to mental health and substance use disorder benefits, including an examination of network composition as a whole. This information must be included in the carrier's comparative analyses, along with an explanation of differences and what actions the carrier has taken to address them.

MedChi urges a favorable vote.

For more information call:

Danna L. Kauffman
J. Steven Wise
Andrew G. Vetter
Christine K. Krone
410-244-7000

Inseparable - 2026 SB 205 FAV - Parity Codificatio

Uploaded by: David Lloyd

Position: FAV

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

SB205 2026 - LAC - FAV.pdf

Uploaded by: Deborah Steinberg

Position: FAV



**S.B. 205: Health Insurance – Mental Health and Substance Use Disorders –
Codification of Federal Requirements
Senate Finance Committee Hearing
January 28, 2026
Favorable**

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

Thank you for the opportunity to submit testimony in support of Senate Bill 205, which would codify federal Mental Health Parity and Addiction Equity Act protections to continue to ensure Marylanders can access affordable mental health and substance use disorder care. We thank you for introducing this bill with the Maryland Insurance Administration (MIA), and we request a favorable report.

The Legal Action Center (LAC) is a non-profit law and policy organization that fights discrimination, builds health equity, and restores opportunities for people with substance use disorders, arrest and conviction records, and HIV/AIDS. LAC convenes the Maryland Parity Coalition and works with its partners to ensure non-discriminatory access to mental health (MH) and substance use disorder (SUD) services through enforcement of the Mental Health Parity and Addiction Equity Act (Parity Act), robust network adequacy standards and enforcement, and other consumer protections.

We commend the Maryland General Assembly for passing a law in 2024 strengthening reporting requirements for health plans under the Parity Act. Shortly afterward, the U.S. Departments of Labor, Health & Human Services, and Treasury issued new Parity Act regulations with strong protections to ensure consumers can get meaningful, non-discriminatory coverage for MH and SUD care. However, in January 2025, a lawsuit was filed against the federal government over these regulations.¹ In response, the Trump Administration issued a non-enforcement policy,² consistent with its current priorities regarding civil rights and anti-discrimination protections, and indicated it may rescind or revise the 2024 federal regulations. As such, Maryland needs to codify these requirements so that we do not roll back equitable access to lifesaving MH and SUD treatment.

Importantly, the 2024 federal regulations are the current standards that carriers are already following and the MIA is already enforcing. S.B. 205 does not impose any new requirements on carriers, it merely protects Marylanders in case these rules are weakened by the federal administration. This is critically important, as Maryland is still losing far too many lives to overdose and suicide in the midst of the ongoing overdose public health emergency and MH crisis. We must preserve non-discriminatory access to MH and SUD care so that lifesaving care is affordable, accessible, and equitable.

Thank you,
Deborah Steinberg
Senior Health Policy Attorney
dsteinberg@lac.org

¹ <https://litigationtracker.law.georgetown.edu/litigation/10478/>

² <https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/mental-health-parity/statement-regarding-enforcement-of-the-final-rule-on-requirements-related-to-mhpaea>

Maryland Catholic Conference_FAV_SB205.pdf

Uploaded by: Diane Arias

Position: FAV



MARYLAND
CATHOLIC
CONFERENCE

January 28, 2026

**Senate Bill 205
Health Insurance - Mental Health and Substance Use Disorders - Codification of
Federal Requirements
Senate Finance Committee**

Position: Favorable

The Maryland Catholic Conference (MCC) is the public policy representative of the three (arch)dioceses serving Maryland, which together encompass over one million Marylanders. Statewide, their parishes, schools, hospitals, and numerous charities combine to form our state's second largest social service provider network, behind only our state government.

Senate Bill 205 codifies in State law certain provisions of the Code of Federal Regulations related to mental health parity and clarifying the authority of the Maryland Insurance Administration to enforce certain laws; requiring health insurance carriers to collect and report on data in a certain manner; requiring health insurance carriers to provide certain benefits under certain circumstances; requiring health insurance carriers to explain differences in access to care under certain circumstances.

This legislation is designed to ensure that health insurance plans treat mental health and substance use disorder care fairly and on equal footing with physical (medical and surgical) care, which is especially important for people with disabilities who often rely on consistent, long-term mental health support. It clearly defines who is covered by the law, including all insurers and health plans regulated by the State, and establishes that “core treatment” means care that is widely accepted and supported by recognized, current medical standards. By requiring mental health conditions and substance use disorders to be defined in accordance with nationally recognized diagnostic frameworks, such as the International Classification of Diseases and the Diagnostic and Statistical Manual of Mental Disorders, the law prevents insurers from narrowing definitions in ways that could exclude or limit coverage for individuals with complex or co-occurring disabilities.

The law also requires insurance carriers to identify, document, and analyze non-quantitative treatment limitations—such as prior authorization, medical necessity standards, and provider network design—across mental health, substance use disorder, and medical/surgical benefits.

Importantly, carriers must collect and evaluate data to determine how these practices affect real-world access to care.

For people with disabilities—who often face greater administrative hurdles, limited in-network provider options, and a higher need for specialized mental health services—this data-driven oversight helps identify and reduce hidden barriers that delay or deny care. By holding insurers accountable for how their policies operate in practice, the legislation promotes more timely and equitable access to mental health services, supporting greater stability, independence, and overall well-being for individuals with disabilities. As Pope Francis has said, *“If disability or illness makes life more difficult, it is no less worthy of being lived and lived to the fullest.”*¹ This legislation helps uphold that principle by ensuring equal access to care, including mental health care, and by reducing unnecessary burdens on individuals with disabilities, for whom accessing care is too often excessively difficult.

For these reasons, the Maryland Catholic Conference asks for a favorable report on **SB205**.

Thank you for your consideration.

¹<https://www.ewtnnews.com/vatican/pope-francis-the-value-of-a-person-is-not-determined-by-ability?redirectedfrom=cna>

2026 Session - MHCC - SB 205 - HI - Mental Health

Uploaded by: Douglas Jacobs

Position: FAV



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.¹

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.² 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

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

² 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)



2026-SB205- MOOR - LOS.pdf

Uploaded by: Emily Keller

Position: FAV



Maryland's Office of Overdose Response

Wes Moore, Governor · Aruna Miller, Lt. Governor · Emily Keller, Special Secretary of Overdose Response

January 28, 2026

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

Re: Senate Bill 205 – Health Insurance - Mental Health and Substance Use Disorders - Codification of Federal Requirements

Dear Chair Beidle:

Maryland's Office of Overdose Response (MOOR) submits this letter of support for Senate Bill (HB) 205 – Health Insurance - Mental Health and Substance Use Disorders - Codification of Federal Requirements.

SB 205 requires health insurance plans to cover mental health and substance use disorder treatments comparably to physical health treatments. The bill accomplishes this by codifying certain provisions of the Code of Federal Regulations related to mental health and substance use disorder treatment parity and by clarifying the authority of the Maryland Insurance Administration to enforce certain laws.

Mental health and substance use treatment is health care and should be covered at the same rates as physical health treatments. According to the American Medical Association, covering mental health and substance use treatment comparably to physical health treatments is an important factor contributing to the reduction in overdose mortality that has been seen nationwide, including here in Maryland.¹ Recent actions of the Federal government draw into question how the Mental Health Parity Act, the federal law requiring insurance companies to cover mental health and substance use treatment comparably, will be enforced and could jeopardize access to substance use disorder treatment, including medications for opioid use disorder, for those who need it most.²

This bill will require insurance companies to prove that their plans do not make it more challenging to access mental health or substance use disorder treatment as compared to physical health treatments. The bill also clarifies that insurance plans must act in compliance with the Mental Health Parity Act and any relevant State regulations, which will provide the State with the ability to continue protecting access

1

<https://searchf.ama-assn.org/letter/documentDownload?uri=/unstructured/binary/letter/LETTERS/lfsud.zip/2025-3-13-Letter-to-Chavez-Besent-and-Kennedy-re-MH-SUD-Parity-v2.pdf>

2

<https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/mental-health-parity/statement-regarding-enforcement-of-the-final-rule-on-requirements-related-to-mhpaea>

to mental health and substance use treatment for those who need it most regardless of changes at the Federal level with regards to enforcement of the Mental Health Parity Act.

Marylanders deserve continued access to mental health and substance use care now more than ever. For these reasons, I submit this letter of support for SB 205 and urge a favorable report.

If you would like to discuss this further, please do not hesitate to contact Benjamin Fraifeld, Associate Director for Policy & Advocacy at MOOR, 443-346-3013.

Sincerely,

A handwritten signature in black ink that reads "Emily Keller". The signature is written in a cursive style with a large, sweeping initial "E".

Emily Keller
Special Secretary of Overdose Response

SB 205 MRHA testimony.pdf

Uploaded by: Estelle Yeung

Position: FAV



Statement of Maryland Rural Health Association (MRHA)

To the Senate Finance Committee
Chair: Senator Pamela Beidle
January 23, 2026

Senate Bill 205: Health Insurance - Mental Health and Substance Use Disorders - Codification of Federal Requirements

POSITION: SUPPORT

Chair Beidle, Vice Chair Hayes, and members of the Committee, the Maryland Rural Health Association (MRHA) is in SUPPORT of Senate Bill 205: Health Insurance - Mental Health and Substance Use Disorders - Codification of Federal Requirements.

The MRHA supports SB 205, which codifies the Code of Federal Regulations from the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 into Maryland state law.

Rural areas face unique challenges in accessing health care for mental health and substance use disorders. Due to travel barriers, specialty provider shortages, and cost barriers, rural residents with mental health disorders utilize mental health care services less than their urban counterparts.¹ Rural residents also have higher rates of emergency department utilization for mental health care, which drives up health system costs.¹ Rural communities face higher rates of opioid use, and research has shown correlations between depression, substance use disorders, and suicidal ideation.²

Codifying equitable access to mental health and substance use disorder treatment in Maryland is crucial for addressing these health disparities between rural and urban communities. SB 205 would hold the Maryland Insurance Administration accountable for enforcing federal parity protections. Requiring insurers to collect and report data on access to mental health and substance use disorder care will increase transparency for Maryland patients and provide data to help the state better understand its rural and urban health disparities.

MRHA believes this legislation is important to support our rural communities and we urge you to support its passage.

With appreciation,
The Maryland Rural Health Association

1. Edwards A, Hung R, Levin JB, Forthun L, Sajatovic M, McVoy M. Health Disparities among Rural Individuals with Mental Health Conditions: A Systematic Literature Review. *Rural Ment Health*. 2023;47(3):163-178. doi:10.1037/rmh0000228
2. Ahuja M, Jain M, Mamudu H, et al. Substance Use Disorder and Suicidal Ideation in Rural Maryland. *Chronic Stress (Thousand Oaks)*. 2024;8:24705470241268483. Published 2024 Aug 6. doi:10.1177/24705470241268483

P.O. Box 3128 LaVale, MD 21504

SB205 MH SUD LOS Final.pdf

Uploaded by: Irnise Williams

Position: FAV

CAROLYN A. QUATTROCKI
Chief Deputy Attorney General

LEONARD J. HOWIE III
Deputy Attorney General

CARRIE J. WILLIAMS
Deputy Attorney General

SHARON S. MERRIWEATHER
Deputy Attorney General

ZENITA WICKHAM HURLEY
Deputy Attorney General



STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION
HEALTH EDUCATION AND ADVOCACY UNIT

ANTHONY G. BROWN
Attorney General

WILLIAM D. GRUHN
Division Chief

PETER V. BERNS
General Counsel

CHRISTIAN E. BARRERA
Chief of Staff

IRNISE WILLIAMS
Deputy Unit Director

January 26, 2026

To: The Honorable Pamela Beidle, Chair
Finance Committee

From: Irnise F. Williams, Deputy Director, Health Education and Advocacy Unit

Re: Senate Bill 0205 - Health Insurance - Mental Health and Substance Use Disorders
- Codification of Federal Requirements-**SUPPORT**

The Office of the Attorney General’s Health Education and Advocacy Unit (HEAU) supports SB 205 which codifies into Maryland law key consumer protection provisions of the 2024 Federal Rule strengthening enforcement of the Mental Health Parity and Addiction Equity Act (MHPAEA) of 2008’s parity requirements for mental health and substance use disorder (MH/SUD) treatment and dissociates Maryland law from federal provisions offering less protection.

Finding that “the United States of America continues to experience a mental health and substance use disorder crisis”, and noting that “in the almost 16 years since the enactment of MHPAEA, disparities in coverage between mental health and substance use disorder (MH/SUD) benefits and medical/surgical (M/S) benefits have persisted and grown,” the US Department of Labor, in 2024, finalized Federal Rules intending to further MHPAEA's fundamental purpose – to ensure that individuals in group health plans or group or individual health insurance coverage who seek treatment for covered MH conditions or SUDs do not face greater burdens on access to benefits for those conditions or disorders than they would face when seeking coverage for the treatment of a medical condition or a surgical procedure.” [*Fact Sheet: Final Rules under the Mental Health Parity and Addiction Equity Act \(MHPAEA\)*](#)

The rules were intended to improve network composition by making mental health and substance use disorder provider networks more robust and making it easier for individuals seeking mental health and substance use disorder care to receive it by cutting red tape, with fewer and less restrictive prior authorization requirements and other medical management techniques to navigate.

Unfortunately, in May 2025, federal agencies announced that they will no longer enforce provisions of the 2024 Final Rule, leaving consumers vulnerable to discriminatory practices.

The bill continues Maryland's efforts to protect consumers by incorporating critical provisions from the 2024 Final Rule into Maryland law, including:

- Definitions of MH/SUD consistent with the International Classification of Diseases and the Diagnostic and Statistical Manual of Mental Disorders;
- A prohibition on the use of discriminatory factors and evidentiary standards in designing nonquantitative treatment limitations (NQTLs), such as prior authorization, step therapy, and provider network standards;
- Requirements for carriers to collect, evaluate, report, and act on outcomes data for NQTLs; and
- A mandate to offer meaningful MH/SUD benefits on par with medical/surgical services.

This bill ensures that individuals seeking MH/SUD treatment receive equitable coverage, removing discriminatory barriers and improving access to necessary behavioral health care. It also provides the Maryland Insurance Administration (MIA) with the tools needed to enforce these protections effectively.

Given the federal government's decision to halt enforcement and the risk of further erosion of consumer protections, this legislation is essential to safeguard Marylanders' rights and maintain strong parity standards.

We urge a favorable report.

Children's National Testimony - SB 205 - Laura Wil

Uploaded by: Laura Willing

Position: FAV



111 Michigan Ave NW
Washington, DC 20010-2916
ChildrensNational.org

**Testimony of Laura Willing, MD, MEd
Medical Director for Mental Health Policy and Advocacy, Community Mental Health CORE
Children's National Hospital
Department of Psychiatry & Behavioral Sciences**

**S.B. 205: Health Insurance – Mental Health and Substance Use Disorders – Codification of Federal Requirements
Position: FAVORABLE
January 28, 2026
Senate Finance Committee**

Chair Beidle, Vice Chair Hayes and members of the committee, thank you for the opportunity to provide written testimony in strong support of Senate Bill 205. My name is Laura Willing, and I am a child and adolescent psychiatrist and the Medical Director for Mental Health Policy and Advocacy for the Community Mental Health CORE at Children's National Hospital. As the region's only standalone children's hospital, Children's National has been serving the nation's children since 1870. For 155 years, we have delivered expert pediatric care at every milestone. Sixty percent of our patients are residents of Maryland, and we maintain a large network of community-based pediatric practices, surgery centers and regional outpatient centers in Maryland.

Many children and teens in Maryland are struggling to access appropriate mental health care. They wait on months-long wait lists to access care, and their parents and families often struggle for months, or years, to find appropriate evaluation, management and therapeutic services. In fact, almost half of youth in Maryland aged 12-17 with an episode of major depression did not receive any mental health services in the past year.¹ Even in my own clinical practice, which means the child or youth already sees a child psychiatrist, many families are spending months to over a year looking for in-network individual therapy, neuropsychological testing, or higher levels of care such as partial hospitalization programs. Specifically, they are struggling to find an appropriate mental health provider who is in-network with their insurance plan.

¹ *Roadmap to Strengthen Maryland's Public Behavioral Health System for Children, Youth and Families J U N E 2 0 2 5*. (2025). <https://health.maryland.gov/bha/Documents/MDH%20BH%20Roadmap%20for%20Children%202025.pdf>

We know that Marylanders go out of network for mental health and substance use care 8.7 times more frequently than for medical /surgical care² and network adequacy for mental health and substance use care is worsening for children and youth over time.³ In the Roadmap to Strengthen Maryland's Public Behavioral Health System for Children, Youth and Families, youth participants pointed to insufficient behavioral health services and access to care as system-level issues requiring urgent attention.⁴ As a state, we should ensure that mental health care is treated the same as medical/surgical care and that our youth are able to receive the important, and life-saving care they deserve.

In response to increased need for seamless access to mental health(MH) and substance use disorders (SUD) service delivery and financing , the U.S Department of Health and Human Services (HHS), Labor, and the Treasury collectively issued new regulations to the Mental Health Parity and Addiction Equity Act (MHPAEA) to ensure that individuals in group health plans or group or individual health insurance coverage who seek treatment for covered MH conditions or SUDs do not face greater barriers to care for those conditions than they would face when seeking coverage for the treatment of a medical condition or a surgical procedure.⁵ In alignment with federal law, this bill would codify federal protections so that Marylanders will have equitable access to mental health and substance care across the continuum of care. Requiring health plans to collect, evaluate, and explain data to assess the impact on access to mental health care is an important first step in determining if there is mental health parity in a health plan. This bill will update outdated policies that create separate standards for MH and SUD treatment options by prohibiting the use of discriminatory evidence by which they currently design treatment limitations. This aligns with the Behavioral Health Administration's strategic plan which aims to establish equitable access to care by dismantling silos that provide gaps in service.⁶ In addition, this bill would clarify the Maryland Insurance Administration's authority to enforce parity protections based on state regulations, in addition the federal law. This is

² Mark, T and Parish W. *Behavioral Health Parity – Pervasive Disparities in Access to In-Network Care Continue*. Research Triangle Institute International. April 14, 2024. [fulltext.pdf](#)

³ *Addiction and mental health vs. physical health: Analyzing disparities in network use and provider reimbursement rates*. (2017, December). Www.milliman.com. <https://www.milliman.com/en/insight/addiction-and-mental-health-vs-physical-health-analyzing-disparities-in-network-use-and>

⁴ *Roadmap to Strengthen Maryland's Public Behavioral Health System for Children, Youth and Families J U N E 2 0 2 5*. (2025). <https://health.maryland.gov/bha/Documents/MDH%20BH%20Roadmap%20for%20Children%202025.pdf>

⁵ Centers for Medicare & Medicaid Services. (2024). *The mental health parity and addiction equity act (MHPAEA) | CMS*. Cms.gov. <https://www.cms.gov/marketplace/private-health-insurance/mental-health-parity-addiction-equity#2024mhpaeregulations>

⁶ *Behavioral Health Administration FY 25-27 State Strategic Plan*. (n.d.). Retrieved November 2, 2025, from <https://health.maryland.gov/bha/Documents/BHA%20Strategic%20State%20Plan%20FY25-27.pdf>

important because my patients in Maryland need mental health parity enforcement in order to be able to access the quality mental health care they deserve.

I applaud the Senate Finance Committee for considering this important legislation, which will have life-long benefits for our state's youngest residents and their families and respectfully request a favorable report on Senate Bill 205. Thank you for the opportunity to submit testimony.

For more information, please contact:

Austin Morris, Government Affairs Manager

almorris@childrensnational.org

SB 205 - MIA - Support.pdf

Uploaded by: Marie Grant

Position: FAV

WES MOORE
Governor

ARUNA MILLER
Lt. Governor



Maryland
INSURANCE ADMINISTRATION

200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202
Direct Dial: 410-468-2113
1-800-492-6116 TTY: 1-800-735-2258
www.insurance.maryland.gov

MARIE GRANT
Commissioner

JOY Y. HATCHETTE
Deputy Commissioner

DAVID COONEY
Associate Commissioner
Life and Health

Date: January 28, 2026

Bill # / Title: Senate Bill 205 - Health Insurance - Mental Health and Substance Use Disorders - Codification of Federal Requirements

Committee: Senate Finance Committee

Position: Support

The Maryland Insurance Administration (MIA) appreciates the opportunity to share its support for Senate Bill 205, which is a Departmental bill.

Senate Bill 205 amends §§ 15-144 of the Insurance Article in order to codify certain provisions of the Code of Federal Regulations related to mental health parity and clarify the authority of the MIA to enforce these laws.

The Mental Health Parity and Addiction Equity Act (The Parity Act) is a federal law enacted in 2008 to ensure that those seeking treatment for issues related to mental health and substance use disorders (MH/SUD) receive comparable coverage to other areas of care. Enforcement of the Parity Act and corresponding state parity laws makes it easier for these individuals to access and afford necessary behavioral health care by removing discriminatory and insurance-related barriers.

On September 9, 2024, the U.S. Departments of Health and Human Services, Labor, and the Treasury (collectively, the Departments) released new final rules strengthening and clarifying the existing Parity Act regulations (2024 Final Rule). However, in response to a lawsuit filed in the U.S. District Court by the ERISA Industry Committee, the Departments announced on May 15, 2025 that they will not enforce the 2024 Final Rule or pursue enforcement actions based on a failure to comply with these requirements. Furthermore, the federal government has indicated that it is considering either revising or rescinding the 2024 Final Rule in response to the lawsuit.

The MIA has existing authority under § 15-144 of the Insurance Article to continue to enforce 2024 Final Rule under Maryland law until and unless the rule is formally rescinded. Many of the provisions of the 2024 Final Rule are consistent with how the MIA had been interpreting and enforcing the Parity Act prior to the publication of the Rule, and the MIA would continue to enforce those requirements even if the 2024 Final Rule is rescinded. However, there are certain consumer-friendly requirements under the 2024 Final Rule that are new and had not previously

been required by the MIA. To ensure mental health parity in Maryland, the State can be proactive and codify these new requirements into Maryland law. At the same time, there are certain provisions in the 2024 Final Rule that appear less consumer-protective than existing requirements under Maryland law, and there are concerns that additional rulemaking at the federal level may further erode consumer protections. For this reason, the bill decouples Maryland law from the federal requirements, where necessary, to ensure the continued protection of Maryland consumers.

Senate Bill 205 is designed to codify into state law portions of the Federal Rule that strengthen the enforcement of parity requirements for the treatment of MH/SUD. Provisions from the 2024 Final Rule that are being codified into state law under this bill include:

- Definitions of mental health conditions and substance use disorders that are consistent with the International Classification of Diseases or the Diagnostic and Statistical Manual of Mental Disorders. By requiring carriers to use internationally recognized standards when defining mental health and substance use disorders services, this provision ensures that carriers are not undermining the comparability analysis by arbitrarily categorizing services as either MH/SUD or medical/surgical for the purposes of performing the parity assessment;
- A prohibition on the use of discriminatory factors and evidentiary standards in the design of nonquantitative treatment limitations (NQTLS). This provision is important because the parity assessment primarily examines whether comparable processes were used in the design and application of an NQTL. However, if processes are based on standards that are biased against MH/SUD, then limitations may have a discriminatory impact on MH/SUD, even if the processes are comparable to M/S;
- Requirements for carriers to collect, evaluate, and act on relevant outcomes data for NQTLS. While current Maryland law already authorizes the MIA to develop data templates that carriers are required to submit as part of the parity analysis, the more robust and explicit data requirements in this bill provide the MIA with clearer authority to require carriers to promptly take action to address disparities in data outcomes between MH/SUD and medical/surgical services; and
- A requirement to offer meaningful benefits for MH/SUD on par with benefits for medical/surgical services. Since the Parity Act does not mandate coverage of particular MH/SUD services, this provision clarifies that a plan would violate the comparability requirement if it failed to offer meaningful benefits, including certain core treatments, for MH/SUD in every benefit classification where the plan provides meaningful benefits for medical/surgical conditions.

Senate Bill 205 allows us to preserve the advances toward parity in access to care for MH/SUD patients in Maryland by allowing the State to fill the gap in statutory and regulatory protection that is now opening up at the federal level.

For the reasons set forth above, the MIA urges a favorable committee report on Senate Bill 205 and thanks the Committee for the opportunity to share its support.

Testimony in Favor of SB 205.pdf

Uploaded by: Megan O'Brien

Position: FAV

**Testimony in Support of SB 205, Health Insurance - Mental Health and Substance Use Disorders - Codification of Federal Requirements
Before the Senate Finance Committee**

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

Thank you for the opportunity to provide testimony in support of **SB 205, the Health Insurance - Mental Health and Substance Use Disorders – Codification of Federal Requirements Bill**. My name is Alyssa Sanders, and I serve as Director of Advocacy at EveryMind, a nonprofit organization that has been providing critical mental health services to Marylanders for nearly 70 years

Why This Bill Matters:

Parity is the law, but not the reality. Far too many Marylanders with mental health needs face hurdles that people with medical or surgical conditions simply don't encounter. Let me put that in Maryland-specific terms:

Prevalence of Mental Health Needs in Maryland

In SAMHSA's most recent data for the state of Maryland, about 15.8% of people aged 12+ had any mental illness in the past year, and about 17.9% needed substance use treatment – but among those groups, a large share did not receive that treatment. These numbers highlight the scope of unmet behavioral health needs in Maryland and is just one indicator of why parity enforcement matters so much here in our state.

National Treatment Gap Context

Nationally, among adults with *any mental illness*, **about 50 % received mental health treatment** in the past year, meaning **roughly half did not receive care despite identified need**. In fact, nearly 3 out of 4 Maryland residents who needed substance use treatment did not receive it, even though they met the criteria for treatment. This treatment gap reflects barriers to access that stronger state parity enforcement can help dismantle.

Despite parity protections that have existed for years, **Marylanders continue to face:**

- Denials of necessary services;
- Arbitrary treatment limits;
- Narrow provider networks; and
- Confusing plan designs that conceal true coverage.

This legislation would move parity from a paper promise to a practical safeguard by ensuring consistent, enforceable standards across health plans. Consistent with federal regulations, SB 205 would:

- Clearly define *mental health benefits* and *substance use disorder benefits* to reduce ambiguity that insurers exploit;
- Require health plans to collect, evaluate, and publicly explain data about how plan design and utilization management affect access to mental health care;
- Prohibit the use of discriminatory information, evidence sources, or standards in designing and applying treatment limits;

- Require coverage of *meaningful core treatments* for mental health conditions in every classification where medical and surgical benefits are covered; and
- Clarify that the **Maryland Insurance Administration (MIA)** has clear authority to enforce parity protections under state law, in addition to federal requirements.

When people with mental health needs cannot access appropriate care, the human and economic costs escalate. We see this in Maryland through higher use of crisis services, emergency rooms, and increased strain on social safety nets. This bill improves transparency and accountability, so people get care earlier, reducing acute crisis escalation and long-term costs.

SB 205 is a balanced, practical, and necessary bill that helps ensure mental health parity is meaningful, measurable, and enforceable in Maryland. For these reasons, **EveryMind strongly urges a favorable report.**

Thank you for your time and consideration.

Respectfully submitted,
Alyssa Sanders
EveryMind

SB 205 - FAV.pdf

Uploaded by: Megan Peters

Position: FAV



Maryland Senior Citizens Action Network

MSCAN

AARP Maryland

*Alzheimer's
Association,
Maryland Chapters*

*Baltimore Jewish
Council*

*Catholic Charities of
Baltimore*

*Central Maryland
Ecumenical Council*

Church of the Brethren

*Episcopal Diocese of
Maryland*

*Housing Opportunities
Commission of
Montgomery County*

*Lutheran Office on
Public Policy in
Maryland*

*Maryland Association of
Area Agencies on Aging*

*Maryland Catholic
Conference*

*Mental Health
Association of Maryland*

Mid-Atlantic LifeSpan

*National Association of
Social Workers,
Maryland Chapter*

Presbytery of Baltimore

*The Coordinating
Center*

*MSCAN Co-Chairs:
Carol Lienhard
Megan Peters
410-921-9005*

The Maryland Senior Citizens Action Network (MSCAN) is a statewide coalition of advocacy groups, service providers, faith-based and mission-driven organizations that supports policies that meet the housing, health, and quality of care needs of Maryland's low and moderate-income seniors.

MSCAN supports SB 205. SB 205 will align Maryland mental health and substance disorder parity law with the existing federal regulations that were developed to implement the Mental Health Parity and Addiction Equity Act. The Parity Act protects people who require behavioral health care by mandating that health care plans must use standards for mental health and substance use benefits that are comparable to, and no more restrictive than, the standards for other medical/surgical benefits. SB 205 will:

- Define mental health and substance use disorder benefits;
- Require health plans to collect and evaluate data on access to mental health and substance use disorder benefit and explain any differences in access, as well as the steps taken by the insurer to address the differences;
- Prohibit the use of discriminatory information, evidence, sources and standards in the design and application of treatment limitations;
- Require coverage of meaningful benefits in mental health and substance use disorder in every classification in which medical/surgical meaningful benefits are covered; and
- Ensure that the Maryland Insurance Administration's authority to enforce the parity act is based on state regulations and is not dependent on the federal law.

Parity is especially critical for older adults, who face higher rates of depression, anxiety, and social isolation. Ensuring true parity helps prevent delayed treatment, avoidable crises, and increased health care costs for seniors and their families. By codifying these rules in Maryland statute, the state will ensure that any changes in the federal law that weaken the Parity Act will not negatively impact older Marylanders who need behavioral health care.

For these reasons, MSCAN supports SB 205 and urges a favorable report.

2026 MCHS SB 205 Senate Side.pdf

Uploaded by: Michael Paddy

Position: FAV



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.

2026 MOTA SB 205 Senate Side.pdf

Uploaded by: Michael Paddy

Position: FAV



Maryland Occupational Therapy Association

PO Box 36401, Towson, Maryland 21286 ♦ mota-members.com

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

The Maryland Occupational Therapy Association (MOTA) supports Senate Bill 205 - Health Insurance - Mental Health and Substance Use Disorders - Codification of Federal Requirements. The bill clarifies that when a health benefit plan provides medical or surgical coverage within a specific parity classification, it must also provide meaningful coverage for mental health and substance use disorder services within that same category. This includes access to the full range of evidence-based, medically necessary interventions required to support individuals' mental health, recovery, and ability to participate in daily life. Too often, insurers assert that behavioral health services are covered while excluding essential treatments, resulting in fragmented care and limiting individuals' equitable access to comprehensive mental health and substance use disorder services.

Occupational therapists address barriers that individuals with mental health conditions experience in the community by providing interventions that focus on enhancing existing skills; remediating or restoring skills; modifying or adapting the environment or activity; and preventing relapse. As such, both the National Board for Certification in Occupational Therapy (NBCOT) and the American Occupational Therapy Association (AOTA) include mental health services within the scope of practice for occupational therapists.

Unfortunately, insurance carriers do not all consistently recognize occupational therapy practitioners as mental health providers and it remains difficult for outpatient mental health programs to employ occupational therapists due to inconsistent reimbursement. We support this bill as it continues to collect data on which services are provided, and perhaps more importantly,

which services are being denied. This should assist both the MIA and MOTA in ensuring that occupational therapy is a covered benefit for individuals in mental health treatment.

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

SB205 FAV- Parity- NAMI MD.pdf

Uploaded by: Morgan Mills

Position: FAV

January 28, 2026

Chair Beidle, Vice Chair Hayes, and distinguished members of the Finance Committee,

Please accept this testimony in favor of SB205.

NAMI Maryland is a 501(c)(3) non-profit dedicated to providing education, support, and advocacy for people living with mental illnesses, their families, and the wider community. NAMI Maryland, along with our partners at NAMI National, have supported mental health parity legislation at the federal and state level for decades, including the Mental Health Parity and Addiction Equity Act (MHPAEA) of 2008, its subsequent expansion under the Affordable Care Act, strengthening by the Maryland General Assembly in 2024, and more recent federal protections. NAMI Maryland shares the concerns of many in the General Assembly and Maryland's mental health advocacy community regarding current federal attacks on anti-discrimination provisions across the entire scope of law.

Parity matters because there can be no health care without mental health care. Medical/surgical insurance coverage alone does not treat the whole person. NAMI Maryland, through our warmline and community outreach, fields calls from people living with mental health conditions who face the daily realities of a historic lack of parity—difficulties in finding mental health providers accepted by insurance or Medicaid, being able to access providers in time to treat their symptoms, and unaffordability of out-of-pocket expenses related to mental health care. SB205 would codify current federal protections into Maryland law, including a definition of mental health benefits, a prohibition on the use of discriminatory information to impact coverage, requiring coverage in classifications consistent with medical/surgical conditions, data collection related to access of care issues, and clarification of the Maryland Insurance Administration's authority to enforce parity protections.

On behalf of NAMI Maryland's 11 local affiliates and a network of more than 60,000 Maryland families, individuals, community-based organizations and service providers, we ask for a favorable report of SB205.

Stephanie Slowly-Little
Executive Director
National Alliance on Mental Illness, Maryland

Contact: Morgan Mills
Compass Government Relations
Mmills@compassadvocacy.com

NCADD-MD - 2026 SB 205 FAV - Parity Protection Act

Uploaded by: Nancy Rosen-Cohen

Position: FAV



**Senate Finance Committee
January 28, 2026**

**Senate Bill 205 - Health Insurance - Mental Health and Substance Use Disorders -
Codification of Federal Requirements**

Favorable

More than 15 years ago, Congress passed the Mental Health Parity and Addiction Equity Act. Despite the federal law, Marylanders continue to struggle to get their mental health and substance use disorder (MH/SUD) issues sufficiently addressed with the health insurance they pay for.

Over the years, the Maryland General Assembly has passed bills to try to ensure compliance by carriers and proper oversight by the Maryland Insurance Administration (MIA). We are grateful for the support this committee and the full legislature have shown in support of these and other measures. Additionally, a 2024 federal parity rule was adopted at the federal level to improve parity compliance by clarifying obligations around meaningful benefits, data-driven oversight, and nondiscriminatory standards.

Now, these federal rules that help people access care are under threat. In response, the MIA is taking the proactive step of codifying important pieces of federal regulations that could be repealed. This legislation proposes to put into Maryland components of existing federal regulations, including:

- Requiring health plans to collect, evaluate, and explain data to assess the impact on access to MH/SUD care;
- Prohibiting the use of discriminatory information, evidence, sources, and standards in the design and application of treatment limitations;
- Requiring coverage of core MH/SUD treatments in every classification in which meaningful benefits are covered for medical and surgical conditions; and

The legislation also clarifies the MIA's authority to enforce parity protections based on state regulations, in addition to the federal law.

We urge this committee to give a favorable report to Senate Bill 205.

SB 205_Horizon Foundation_FAV.pdf

Uploaded by: Nikki Highsmith Vernick

Position: FAV



BOARD OF TRUSTEES

January 28, 2026

COMMITTEE: Senate Finance Committee

BILL: SB 205 – Health Insurance – Mental Health and Substance Use Disorders – Codification of Federal Requirements

POSITION: Support

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David Wolf

The Horizon Foundation is the largest independent health philanthropy in Maryland. We are committed to a Howard County free from systemic inequities, where all people can live abundant and healthy lives. The Foundation is pleased to **SB 205 – Health Insurance – Mental Health and Substance Use Disorders – Codification of Federal Requirements**. This bill would protect Marylanders from ongoing federal rollbacks of the Mental Health Parity and Addiction Equity Act (MHPAEA).

In 2024, the Maryland General Assembly passed a law strengthening reporting requirements for health plans under the Mental Health Parity & Addiction Equity Act (Parity Act). Shortly afterward, the federal government issued new Parity Act regulations with strong protections to ensure consumers can get meaningful, non-discriminatory coverage for mental health and substance use disorder care. With federal anti-discrimination protections under attack, Maryland must codify these requirements so that we do not roll back equitable access to lifesaving mental health and substance use disorder treatment.

The Horizon Foundation has worked for many years to improve access to behavioral health care in our community. At the same time, behavioral health needs in Howard County have been on the rise and barriers remain to ensuring robust and equitable access to care. According to our county's most recent health assessment survey of 1000 representative adult residents, more than a third reported that they had been "bothered by having little interest or pleasure in doing things" for several days or more over the previous two weeks.ⁱ This number has risen significantly since 2018. In the same survey, respondents under age 45, Black and Hispanic residents and those in households with incomes under \$50,000 per year were significantly more likely to report feeling down, depressed or hopeless. There is also growing research that shows chronic stress and trauma due to racism exacerbates mental and behavioral health challenges for people of color.

With mental and behavioral health needs rising, we must not go back on the progress our state has made in recent years to expand access to care, especially as hundreds of thousands of Marylanders with mental health and substance use disorders still struggle with the cost of getting the care they need. We strongly believe everyone should have access to responsive and

compassionate mental health care. We also believe health is a fundamental right and that everyone deserves a fair opportunity to attain it at the highest level. For these reasons, the Foundation **SUPPORTS SB 205** and urges a **FAVORABLE** report. Thank you for your consideration.

ⁱ Howard County Health Assessment Survey, 2024.

Testimony in support of SB0205 - Health Insurance

Uploaded by: Richard KAP Kaplowitz

Position: FAV

01/28/2026

Richard Keith Kaplowitz
Frederick, MD 21703

TESTIMONY ON SB#/0205- POSITION: FAVORABLE

Health Insurance - Mental Health and Substance Use Disorders - Codification of Federal Requirements

TO: Chair Beidle, Vice Chair Hayes, and members of the Finance Committee
FROM: Richard Keith Kaplowitz

My name is Richard Keith Kaplowitz. I am a resident of District 3, Frederick County. I am submitting this testimony in support of SB#/0205, **Health Insurance - Mental Health and Substance Use Disorders - Codification of Federal Requirements**

This bill is related to Requirements Related to the Mental Health Parity and Addiction Equity Act, a Rule by the [Internal Revenue Service](#), the [Employee Benefits Security Administration](#), and the [Health and Human Services Department](#) on [09/23/2024](#)¹

While part of the purpose of this bill is codifying in State law certain provisions of the Code of Federal Regulations related to mental health parity and clarifying the authority of the Maryland Insurance Administration to enforce certain laws, it has other purposes that assist Marylanders in being provided with health care benefits from insurance carriers. This bill will require health insurance carriers to collect and report on data in a certain manner. It will require health insurance carriers to provide certain benefits under certain circumstances and require health insurance carriers to explain differences in access to care under certain circumstances; etc.

During my late son's medical crisis in 2024-2025 I was forced to fight five different attempts by United Healthcare to discontinue paying for his health care in a rehabilitation setting despite the lack of an alternative for his recovery. This bill will assist Maryland in determining if health insurance coverage is being denied without a deeper examination of the causes of that conduct.

I respectfully and urgently this committee to return a favorable report on SB#/0205.

¹ <https://www.federalregister.gov/documents/2024/09/23/2024-20612/requirements-related-to-the-mental-health-parity-and-addiction-equity-act>

2026 MASHN SB 205 Senate Side.pdf

Uploaded by: Robyn Elliott

Position: FAV

Maryland Association of School Health Nurses



Committee: Senate Finance Committee

Bill Number: Senate Bill 205 - Health Insurance - Mental Health and Substance Use Disorders - Codification of Federal Requirements

Hearing Date: January 28, 2026

Position: Support

The Maryland Association of School Health Nurses (MASHN) supports *Senate Bill 205 - Health Insurance - Mental Health and Substance Use Disorders - Codification of Federal Requirements*. The bill codifies federal requirements for behavioral health parity in coverage in state-regulated commercial plans. MASHN supports Maryland’s ongoing efforts to advance parity in behavioral health coverage because of our commitment to the health of Maryland students. According to the 2023 Youth Risk Behavior Survey from the Centers for Disease Control and Prevention, 30% of youth in middle and high schools experience depressive symptoms.ⁱ Adequate insurance coverage is an important component of the strategy to address our youth’s behavioral health issues.

We ask for a favorable vote. If we can provide any information, please contact Robyn Elliott at relliott@policypartners.net.

ⁱ <https://www.cdc.gov/yrbs/results/2023-yrbs-results.html>

SB 205 Health Insurance – Mental Health and Substa

Uploaded by: Sara Westrick

Position: FAV



One Park Place | Suite 475 | Annapolis, MD 21401-3475
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**SB 205 Health Insurance – Mental Health and Substance Use Disorders –
Codification 2 of Federal Requirements
Senate Finance Committee
January 28, 2026
FAVORABLE**

Chair Beidle and members of the Senate Finance Committee, my name is Dr. Lois Meszaros, and I am a licensed psychologist with a clinical practice in Anne Arundel County. I am also a lead behavioral health advocacy volunteer with AARP Maryland.

I represent that organization's 850,000 members in the state. We support SB 205 and applaud the Maryland Insurance Administration for helping craft this important legislation, which aims to codify federal requirements related to mental health parity and clarify the Maryland Insurance Administration's authority to enforce these laws.

Mental health and substance use disorders are just as important as physical health, and it is crucial that we ensure equal access to care for these conditions and continue to work towards full parity.

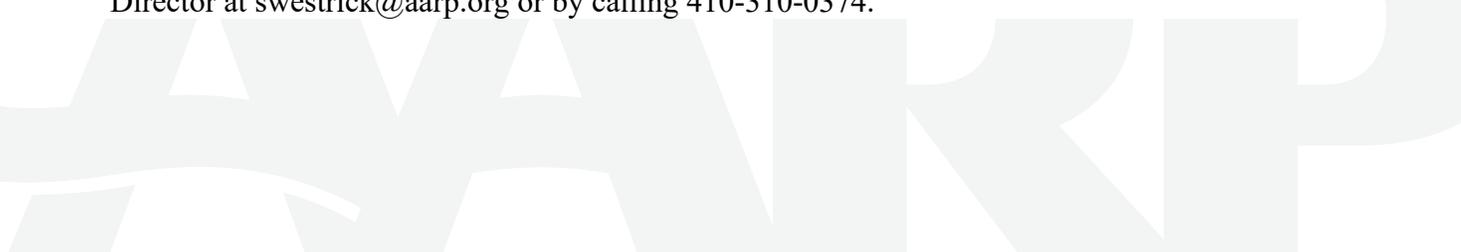
SB 205 takes a crucial step towards achieving this goal by requiring health insurance carriers to collect and report data on non-quantitative treatment limitations, which are often used to limit access to mental health and substance use disorder benefits. By requiring carriers to provide comparative analyses of these limitations, we can ensure that they are not being used to discriminate against individuals with mental health and substance use disorders.

The bill also requires carriers to provide meaningful benefits for each covered mental health condition and substance use disorder in every parity act classification. This will help to ensure that individuals receive the care they need.

I also appreciate the bill's emphasis on transparency and accountability. By requiring carriers to submit reports and document their compliance with the Parity Act, we can ensure they are held accountable for providing equal access to care.

By codifying federal requirements and clarifying the authority of the Maryland Insurance Administration, we can take a crucial step towards achieving full parity for mental health and substance use disorders.

For these reasons, AARP Maryland respectfully urges the Committee to give SB 205 a favorable report. If you have any questions, please contact Sara Westrick, AARP Maryland Advocacy Director at swestrick@aarp.org or by calling 410-310-0374.



SB 205 CBH Testimony.pdf

Uploaded by: Shannon Hall

Position: FAV



Testimony on SB 205 - Health Insurance - Mental Health and Substance Use Disorders –
Codification of Federal Requirements
Senate Finance Committee
January 28, 2026

POSITION: SUPPORT

The Community Behavioral Health Association of Maryland (CBH) is the leading voice for community-based providers serving the mental health and addiction needs of vulnerable Marylanders. Our 95 members serve the majority of those accessing care through the public behavioral health system. CBH members provide outpatient and residential treatment for mental health and addiction-related disorders, day programs, case management, Assertive Community Treatment (ACT), employment supports, and crisis intervention.

CBH supports passage of SB 205. The bill strengthens the Maryland Insurance Administration’s (MIA) authority to enforce parity protections based on state regulations. Marylanders are forced to go out-of-network for MH/SUD office visits 8.7 times more frequently than for medical/surgical office visits with even greater disparities for psychiatrists and psychologists as compared to medical/surgical physicians. This performance ranks Maryland as the fourth worst state in the country for out-of-network behavioral health use.¹

Passage of SB 205 will give MIA the tools needed to improve Maryland’s performance and strengthen access to mental health and addiction treatment for those who need it. The bill will:

- Require health plans to collect, evaluate, and explain data to assess the impact on access to MH/SUD care;
- Prohibit the use of discriminatory information, evidence, sources, and standards in the design and application of treatment limitations; and
- Require coverage of meaningful benefits – core treatments – of MH/SUD in every classification in which meaningful benefits are covered for medical and surgical conditions.

For these reasons, we urge a favorable report on SB 205.

For more information contact Shannon, Executive Director, at Shannon@mdcbh.org.

¹ RTI, [“Behavioral Health Parity: Pervasive Disparities in Access to In-Network Care”](#) (April 2024).

2026 Session - MHCC - SB 205 - HI - Mental Health

Uploaded by: State of Maryland (MD)

Position: FAV



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.¹

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.² 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

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

² 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)



SB205_MPA_FAV

Uploaded by: Taylor Dickerson

Position: FAV



January 26, 2026

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Senator Pamela Beidle, Chair
Senator Antonio Hayes, Vice Chair
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401

RE: SB 205 – Health Insurance - Mental Health and Substance Use Disorders - Codification of Federal Requirements

Position: SUPPORT

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

The Maryland Psychological Association, (MPA), which represents over 1,000 doctoral level psychologists throughout the state, asks the Senate Finance Committee to **report favorably on SB 205**.

Senate Bill 205 codifies key federal mental health and substance use disorder parity requirements into Maryland law and clarifies the Maryland Insurance Administration’s authority to enforce them. At a time when federal parity protections face increasing legal and political uncertainty, SB 205 ensures that Marylanders retain meaningful, enforceable access to mental health and substance use disorder treatment consistent with established federal standards.

SB 205 strengthens parity enforcement by requiring health plans to collect and analyze data related to access to care, prohibiting the use of discriminatory standards in the design and application of treatment limitations, and ensuring coverage of “core treatments” for mental health and substance use disorders in every benefit classification where medical and surgical care is covered. These provisions directly address well-documented access disparities, including excessive out-of-network utilization and cost barriers that prevent Marylanders from obtaining needed care.

Finally, SB 205 provides clear enforcement tools and oversight mechanisms, including notice of noncompliance, corrective action requirements, and regulatory authority for the Maryland Insurance Commissioner. By embedding these protections in state law, the bill preserves equitable access to lifesaving mental health and substance use disorder treatment and reinforces Maryland’s longstanding commitment to parity, consumer protection, and public health. We respectfully urge a **favorable report on SB 205**.

If we can be of any further assistance, please do not hesitate to contact MPA’s Legislative Chair, Dr. Stephanie Olarte, Ph.D. at mpalegislativcommittee@gmail.com.

Respectfully submitted,

Stephanie Wolf, JD, Ph.D.
Stephanie Wolf, JD, Ph.D.
President

Stephanie Olarte, Ph.D.
Stephanie Olarte, Ph.D.
Chair, MPA Legislative Committee

cc: Barbara Brocato & Dan Shattuck, MPA Government Affairs

ABHW_MD_MHPAEA codification SB 205_1.26.26.pdf

Uploaded by: Kathryn Cohen

Position: UNF



January 26, 2026

Chair Pamela Beidle
Senate Finance Committee
3 East Wing
11 Bladen Street
Annapolis, MD 21401

Re: Maryland Senate Bill 205

Dear Chair Beidle:

The Association for Behavioral Health and Wellness (ABHW) writes to oppose Senate Bill 205 concerning mental health and substance use disorder benefits and parity requirements.

ABHW is the national voice for payers managing behavioral health (BH) insurance benefits. Our member companies provide coverage to 200 million people in the public and private sectors to treat mental health (MH), substance use disorders (SUDs), and other behaviors that impact health and wellness. Since its inception, ABHW has been at the forefront of and an advocate for MH and SUD parity. We were instrumental in drafting the federal legislation for the initial Mental Health Parity and Addiction Equity Act (MHPAEA) of 2008, and our members have worked tirelessly over the past 16 years to implement parity for behavioral health services.

Our organization aims to increase access, drive integration, support prevention, raise awareness, reduce stigma, and advance evidence-based treatment and quality outcomes. Furthermore, through our policy work, we strive to promote equal access to quality treatment and address the stark inequities created by historic structural and systemic disparities in access and quality of care. We are deeply concerned about health disparities in MH and SUD services in this country.

We appreciate Maryland's ongoing efforts to ensure parity in MH and SUD benefits. Still, we have concerns that the proposed legislation will only confuse and complicate the legal patchwork of laws attempting to enforce parity. ABHW urges the Senate Finance Committee not to advance SB 205 until the federal parity landscape is settled and a clear, stable compliance framework is established.

Please see our detailed comments below for more information.

I. SB 205 Diverts Critical Resources from Patient Access to Conflicting and Unclear Mandates

Senate Bill 205 would create significant legal and operational confusion by codifying parity requirements that are currently unsettled at the federal level. If portions of the federal rules are

invalidated or modified through ongoing litigation or administrative action, this bill would leave carriers facing conflicting and potentially irreconcilable obligations.

In May 2025, the U.S. Department of Justice announced that it would not enforce the 2024 Mental Health Parity and Addiction Equity Act (MHPAEA) Final Rule while the Administration considers whether to modify or rescind it. Consistent with that position, the U.S. Departments of Health and Human Services (HHS), Labor (DOL), and Treasury issued a formal Non-Enforcement Policy on May 15, 2025. This action reflects the federal government’s recognition that the 2024 Final Rule, including the meaningful benefits, material differences in access, provisions, and expanded comparative analysis obligations, raises serious statutory and legal concerns.

Those concerns are underscored by ongoing litigation. In January 2025, the ERISA Industry Committee (ERIC) filed suit challenging the 2024 MHPAEA Final Rule, arguing that several of its provisions exceed statutory authority and risk undermining employers’ ability to offer affordable, high-quality MH/ SUD coverage. That litigation is currently stayed, but its outcome will directly shape the federal parity framework going forward.

Maryland should not move forward with passing SB 205, which effectively locks in requirements drawn from a paused and legally uncertain federal rule. Even if Maryland elects not to mirror the federal non-enforcement policy, it should refrain from creating new compliance and reporting mandates until the federal government has finalized its approach to parity enforcement. Maryland should promote uniformity between state and federal parity requirements to streamline efficiency and reduce state administrative burden.

If SB 205 is enacted now, its provisions are likely to diverge from the eventual federal standard, forcing carriers to navigate misaligned expectations between state law and federal requirements. Multiple, inconsistent parity standards will not improve access to care for consumers. Instead, they will increase compliance costs, create confusion for plans and providers, and ultimately divert resources away from patient care.

II. SB 205’s Meaningful Benefits Requirement Imposes an Ambiguous, Unscientific Mandate Inconsistent with Federal Parity Law

The “meaningful benefits” provision in this legislation goes beyond existing parity requirements by effectively creating a new mandate to cover specific MH/SUD services in every benefit classification. MHPAEA is explicit that it cannot be interpreted to require plans to provide *any* particular MH or SUD benefits, nor does it establish a scope-of-services mandate.

By contrast, the meaningful benefits provision in SB 205 would require coverage even where no evidence-based standard of care exists. As a result, health plans could be compelled to cover treatments that have not been shown to improve outcomes and, in some cases, may expose patients to unnecessary risk.

In addition, key terms used in this provision, such as “material difference” and “core” or “primary” treatment lack clear definitions. In practice, “core treatment” may encompass multiple services or modalities, such as prescription drugs and psychotherapy for major

depressive disorder. In other cases, a condition may not have a universally accepted “core treatment” within a particular benefit classification. These ambiguities make consistent implementation and enforcement extremely difficult.

This provision is one example of how this legislation directly conflicts with the intent of the federal MHPAEA statute and underscores why the Senate Finance Committee should not advance SB 205.

III. SB 205’s Material Difference Standard Penalizes Plans for Market- and Patient-Driven Factors Outside Their Control

The material difference provision raises significant legal and practical concerns because it goes beyond the requirements of the federal MHPAEA statute and is therefore vulnerable to legal challenge. MHPAEA does not require health plans to identify, remedy, or eliminate disparate impacts on access to mental health or substance use disorder benefits when the same terms and conditions apply to both medical/surgical and MH/SUD benefits.

This provision would instead impose an outcomes-based standard that holds plans responsible for differences in access that may be outside their control. Even when a health plan takes reasonable and good-faith steps to improve access, data may continue to reflect differences due to factors such as patient preference, provider workforce shortages, geographic limitations, or provider practice patterns, not plan design or administrative decision-making. In these circumstances, health plans should not be deemed non-compliant when they can demonstrate documented efforts to address access challenges. Penalizing health plans for conditions driven by market realities and patient choice rather than plan actions would not improve access to care and would create legal uncertainty and compliance risk without delivering meaningful benefits to patients.

The material difference provision further illustrates how SB 205 departs from the federal MHPAEA framework, creates statutory conflict and raises significant concerns about advancing SB 205.

IV. Maryland Should Pursue Targeted Access Solutions, Not Stretch Parity Beyond Its Purpose

MH/SUD parity was never intended to function as an access framework. Rather, it is designed to ensure that behavioral health benefits are not subject to more restrictive limitations than medical and surgical benefits. Efforts to use parity law to resolve underlying access challenges risk stretching the statute beyond its purpose without meaningfully improving care for patients.

There are more targeted, effective approaches Maryland can pursue to expand access to MH/SUD services. The state can make a far greater impact through focused legislation, regulation, and funding investments that directly increase the availability of care—such as improving access to high-quality, affordable, and evidence-based behavioral health services for children and adolescents.

In addition, Maryland should prioritize strengthening an evidence-based continuum of behavioral health crisis care. This includes ensuring timely care coordination and follow-up services for individuals experiencing a behavioral health crisis, regardless of whether they initially access care through 988, a health plan crisis line, or an emergency department. Investments in crisis stabilization, proactive care transitions, and workforce capacity will do more to improve real-world access than expanding parity requirements beyond their statutory intent. By focusing on these targeted strategies, Maryland can advance meaningful improvements in access and outcomes.

ABHW is committed to improving access to behavioral health treatment for all Americans. Thank you for considering our feedback regarding SB 205. Please reach out to Kathryn Cohen, ABHW's Senior Director of Regulatory Affairs, at cohen@abhw.org with any questions.

Sincerely,

A handwritten signature in black ink that reads "Deborah H. Withey". The signature is written in a cursive style with a large, stylized initial 'D'.

Debbie Withey, MHA
President and CEO

SB205_LeagueLifeandHealthInsurers_UNF

Uploaded by: Matthew Celentano

Position: UNF



15 School Street, Suite 200
Annapolis, Maryland 21401
410-269-1554

January 28, 2026

The Honorable Pam Beidle
Chair, Senate Finance Committee
3 East
Miller Senate Office Building
Annapolis, MD 21401

Senate Bill 205 – Health Insurance – Mental Health and Substance Abuse Disorders – Codification of Federal Requirements

Dear Chair Beidle,

The League of Life and Health Insurers of Maryland, Inc. respectfully opposes *Senate Bill 205 – Health Insurance – Mental Health and Substance Abuse Disorders – Codification of Federal Requirements* and urges the committee to give the bill an unfavorable report.

The League remains deeply committed to the principles of the Mental Health Parity and Addiction Equity Act (MHPAEA) and ensuring equitable access to care. However, we believe SB 205 is premature and creates significant operational and legal risks for Maryland’s health care landscape for the following reasons:

- 1. Maryland law already incorporates MHPAEA and its implementing regulations.** State action is not needed to give the MIA authority to enforce the law or the federal 2024 MHPAEA rule.
- 2. By freezing specific federal regulations into Maryland law, this bill risks locking the state into a regulatory framework that is currently in a state of flux at the federal level.** The federal rule—particularly regarding data collection and testing—is actively evolving. The Tri-Agencies (Labor, HHS, and Treasury) have committed to further rulemaking and guidance to provide clarity on key provisions. Freezing these rules into state law now would create substantial confusion if federal requirements change, leaving Maryland health plans to navigate conflicting state and federal obligations.

Several portions of the 2024 federal rule are currently on hold or under reconsideration due to stakeholder feedback from groups like AHIP as well as ongoing court challenges. A premature rollout in Maryland would effectively enforce federal provisions that may soon be invalidated or significantly reshaped.

3. SB 205 increases the difficulty of interpreting and applying definitions. Many terms in the 2024 rule remain in regulatory limbo. Because federal regulators are no longer issuing clarifications during current legal challenges, Maryland would bear the sole responsibility for interpreting complex and undefined provisions, such as:

- **Material Differences:** The bill requires plans to address “material differences” in access, yet the term is not defined in by the federal rule or SB 205.
- **Core Treatments:** Plans would be required to provide “core treatments” for every covered MH/SUD condition if offered for medical/surgical care, an assessment that plans do not currently conduct by condition and benefit classification.

Additionally, the bill creates new definitions of “mental health benefits” and “substance use disorder benefits” that we don’t read as conforming to the 2024 rule; there’s no reference to assigning services as mental health or medical/surgical based on the underlying condition being treated.

These inconsistencies create regulatory uncertainty that makes it more difficult for League members to comply with federal and state laws.

4. SB 205 creates an undefined benefit mandate. The requirement that a health plan provide “meaningful benefits” for each covered mental health condition and substance use disorder in every Parity Act classification in which medical/surgical benefits are provided was controversial in the federal rule because it went beyond the scope of MHPAEA, which explicitly stated that the law was not intended to be a benefit mandate. To the extent the legislature wants to enact a benefit mandate, it should first go through the standard benefit mandate review process through the Maryland Health Care Commission.

Imposing a benefit mandate that could open the door to unsafe, unproven MH/SUD treatments. By establishing an undefined “meaningful benefit” standard, SB205 may require coverage of every possible treatment for a MH/SUD condition (e.g., some wilderness therapy programs), however unproven or unsafe.

5. There are substantial cost implications of the 2024 federal rule, and bills like SB 205 that iterate on the federal rule will only increase that cost. Implementation of the 2024 rule requires a massive reconfiguration of our data platforms. Building on this, SB 205 would require plans to track and classify benefits based on the underlying condition rather than the treatment setting, impacting both QTL and NQTL testing. It would also require a health plan to reconfigure authorization data platforms to align with new definitions. Should federal agencies rescind or replace the 2024 rule, the immense time and resources spent on these state-level implementations would be entirely wasted.

Federal costs to implement new parity requirements are extensive. The federal regulators' estimate of the administrative and financial burden from implementing the 2024 Final Rule dramatically understates the additional labor and expenditures required to meet the new documentation requirements, making compliance even more complex. The Association for

Behavioral Health and Wellness (ABHW) estimated in October 2023 that the provisions in the MHPAEA Final Rule would cost \$984.8 million in the first year and \$197 million annually thereafter with a 3-year average cost of \$459.6 million per year. The Blue Cross Blue Shield Association (BCBSA) estimated that the projected range for implementing the 2024 Final Rule would be \$957.4 million to \$2 billion in total costs per year.

- 6. MHPAEA is a Federal approach, and because it originated in Congress it applies to all aspects of insurance markets, including ERISA plans.** If SB 205 moves forward as a state approach, due to preemption, it would only apply to the traditional market (roughly 17% of the covered lives) while not applying to any self-insured plans. This distinction would only exacerbate the challenges of fragmentation and super-charge confusion between the patch work of state and Federal laws.

For these reasons, The League urges an unfavorable report on Senate Bill 205. We believe it is more prudent to wait for federal stability to ensure that Maryland's parity enforcement remains consistent, enforceable, and aligned with national standards. With that being said, we are always willing to discuss with the Maryland Insurance Administration to attempt to find a way forward that addresses League concerns.

Very truly yours,

A handwritten signature in black ink, appearing to read "Matthew Celentano", with a long horizontal flourish extending to the right.

Matthew Celentano
Executive Director

cc: Members, Senate Finance Committee