

SB490 - Prescriptions Testimony.pdf

Uploaded by: Abigail Snyder

Position: FAV



OFFICERS

ROBIN WEIMAN
President

RICHARD GRATZ
SARAH GROSSMAN

AMALIA HONICK
RABBI STEVEN SCHWARTZ
RABBI JONATHAN SEIDEMANN
MELANIE SHAPIRO

ELIZABETH GREEN
Past President

HOWARD LIBIT
Executive Director

MEMBER ORGANIZATIONS

- Adat Chaim Congregation
- American Jewish Committee
- Americans for Peace Now
Baltimore Chapter
- American Israel Public Affairs Committee
- American Red Magen David for Israel
- American Zionist Movement
- Amit Women
- Association of Reform Zionists of America
- Baltimore Board of Rabbis
- Baltimore Hebrew Congregation
- Baltimore Jewish Green and Just Alliance
- Baltimore Men's ORT
- Baltimore Zionist District
- Beth Am Congregation
- Beth El Congregation
- Beth Israel Congregation
- Beth Shalom Congregation of
Howard County
- Beth Tfiloh Congregation
- Bnai B'rith, Chesapeake Bay Region
- Bnai Israel Congregation
- Bnai Jacob Shaarei Zion Congregation
- Bolton Street Synagogue
- Chevra Ahavas Chesed, Inc.
- Chevrei Tzedek Congregation
- Chizuk Amuno Congregation
- Congregation Beir Tikvah
- Congregation Tiferes Yisroel
- Federation of Jewish Women's
Organizations of Maryland
- Hadassah
- Har Sinai - Oheb Shalom Congregation
- J Street
- Jewish Federation of Howard County
- Jewish Labor Committee
- Jewish War Veterans
- Jewish War Veterans, Ladies Auxiliary
- Jewish Women International
- Jews For Judaism
- Moses Montefiore Anshe Emenah
Hebrew Congregation
- National Council of Jewish Women
- Ner Tamid Congregation
- Rabbinical Council of America
- Religious Zionists of America
- Shaarei Tfiloh Congregation
- Shomrei Emenah Congregation
- Suburban Orthodox Congregation
- Temple Beth Shalom
- Temple Isaiah
- Zionist Organization of America
Baltimore District

WRITTEN TESTIMONY

SB490: Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription Drugs to Treat Serious Mental Illness

Senate Finance Committee | February 17, 2026

SUPPORT

Background: Senate Bill 490 would prohibit the Maryland Medical Assistance Program from applying a prior authorization requirement in certain circumstances to and from applying a step therapy or fail-first protocol for a prescription drug used to treat an adult enrollee's diagnosis of bipolar disorder, schizophrenia, major depression, post-traumatic stress disorder, or a medication-induced movement disorder associated with the treatment of serious mental illness.

Written Comments: The Baltimore Jewish Council represents The Associated: Jewish Federation of Baltimore and all of its agencies. This includes Jewish Community Services (JCS), which offers programs and services for people of all ages and backgrounds, helping them achieve their goals, enhance their wellbeing, and maximize their independence. JCS currently provides therapy and medication management to a large population of clients with both commercial and public insurance, including Medicaid patients.

“Step therapy or fail-first protocol” means a protocol established by a carrier that requires a prescription drug or sequence of prescription drugs to be used by an insured or enrollee before a prescription drug ordered by a prescriber is covered. Step therapy protocols can require patients to try less effective medications before more effective ones. Fail-first protocols and prior authorization requirements can delay treatment and increase stress and frustration for patients. Inappropriate use of step therapy protocols can lead to adverse reactions and delay necessary treatment. This can increase health care costs, especially for patients with rare diseases.

This bill would ensure that a prior authorization requirement, fail-first protocol, or step therapy protocol may not be imposed for a prescription drug used to treat a diagnosis of bipolar disorder, schizophrenia, major depression, post-traumatic stress disorder, or a medication-induced movement disorder associated with the treatment of a serious mental illness, protecting these individuals from prolonging their course of treatment with potential negative effects.

For these reasons, the Baltimore Jewish Councils asks for a favorable report on SB490.

The Baltimore Jewish Council, a coalition of central Maryland Jewish organizations and congregations, advocates at all levels of government, on a variety of social welfare, economic and religious concerns, to protect and promote the interests of the Associated Jewish Community Federation of Baltimore, its agencies and the Greater Baltimore Jewish community.

SB490.MentalHealthRxPA.MPhA.pdf

Uploaded by: Aliyah Horton

Position: FAV



Date: February 17, 2026

To: The Honorable Pamela Beidle, Chair, Senate Finance Committee

From: Aliyah N. Horton, FASAE, CAE, Executive Director, 240-688-7808

Cc: Members, Senate Finance Committee

Re: **FAVORABLE – SB 490 Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and Prior Authorization – Prescription Drugs to Treat Serious Mental Illness**

The Maryland Pharmacists Association and the Maryland Pharmacy Coalition recommend a **FAVORABLE report of SB 490 - Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription Drugs to Treat Serious Mental Illness.**

According to NAMI Maryland, “Marylander’s are 10 times more likely to be forced to out-of-network mental health care than for primary health care – making it difficult to find care and less affordable due to higher out-of-pocket costs.”

Patients are then compounded with the challenge of barriers within their own plans to access medication that they need. The bill provides a patient-centered, clinically responsible approach to support mental healthcare, while also reducing access issues for patients and administrative burdens for pharmacies.

1. Patient Care Improvement

- Pharmacists are typically the healthcare provider who must communicate the delay in access to medication. Patients often have no understanding of why they cannot receive the medication they need.
- Eliminates unnecessary bureaucratic barriers and administrative burdens that delay critical mental health interventions.
- Supports a more direct path to patient treatment.

2. Treatment Accessibility

- Patients treated and stabilized in in-patient facilities may be denied access to that same medication when the prescription is presented at the pharmacy.
- Prevents mandated trials of less effective medications before accessing recommended treatments.
- Supports patient-specific, personalized medication management.

3. Clinical Evidence Alignment

- Prevents one-size-fits-all protocols that can compromise patient outcomes.

4. Cost-Effectiveness

- Supports potential long-term healthcare savings by mitigating treatment delays, emergency room visits and other economic impacts on the individual and caregivers.
- Reduces administrative costs associated with multiple medication trials, particularly when there is evidence that a protocol is working, and the patient is stabilized.

LCPCM-SB 490-Prohibition on Prior Auth, Step Thera

Uploaded by: Andrea Mansfield

Position: FAV



Committee: Senate Finance Committee

Bill: SB 490 – Maryland Medical Assistance Program – Step Therapy, Fail-First Protocols, and Prior Authorization – Prescription Drugs to Treat Serious Mental Illness

Hearing Date: February 17, 2026

Position: Support

The Licensed Clinical Professional Counselors of Maryland (LCPCM) support Senate Bill 490 - Maryland Medical Assistance Program – Step Therapy, Fail-First Protocols, and Prior Authorization – Prescription Drugs to Treat Serious Mental Illness. This bill prohibits prior authorization requirements, step therapy protocols, and fail–first protocols for prescription drugs used to treat individuals with serious mental illnesses (SMI).

Medication is an integral part of care for individuals suffering with SMI and the prescribing of these medications is very personalized as what may work for one individual may not work for another. Providers need the ability to work closely with their patients to prescribe medications best suited to patient needs without being forced to first go through protocols that deny patients’ access.

SB 490 is about providing protection to individuals suffering with SMI and ensuring access to medications in a timely manner to provide the best treatment possible.

LCPCM urges the Committee to give SB 490 a FAVORABLE Report.

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

SB 490.pdf

Uploaded by: Ashley Clark

Position: FAV

MARYLAND PSYCHIATRIC SOCIETY



February 13, 2026

OFFICERS 2025-2026

Ronald F. Means, M.D.
President

Tyler Hightower, M.D.
President-Elect

Michael A. Young, M.D.
Secretary-Treasurer

Theodora G. Balis, M.D.
Council Chair

EXECUTIVE DIRECTOR

Meagan H. Floyd

COUNCIL

Benedicto R. Borja, M.D.
Mary Cutler, M.D.
Mark S. Komrad, M.D.
Stephanie Knight, M.D.
Cynthia Major Lewis, M.D.
Rachna S. Raisinghani, M.D.
Taylor Scott, M.D.
Traci J. Speed, M.D., Ph.D.

EARLY CAREER PSYCHIATRIST COUNCILOR

Melissa Lavoie, M.D.

RESIDENT-FELLOW MEMBER COUNCILOR

Matthew Brandt, M.D.

PAST PRESIDENTS

Jessica V. Merkel-Keller, M.D.
Carol Vidal, M.D., Ph.D.

APA ASSEMBLY REPRESENTATIVES

Adefolake Akinsanya, M.D.
Elias K. Shaya, M.D.
Brian Zimmnitzky, M.D.

MEDCHI DELEGATE

Enrique I. Oviedo, M.D.

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

Support: Senate Bill 490: Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription Drugs to Treat Serious Mental Illness

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/WPS strongly support Senate Bill 490: Health Insurance – Step Therapy or Fail-First Protocol and Prior Authorization. Step therapy, also known as "fail first" protocols, is a practice used by health insurers and pharmacy benefit managers (PBMs) to control the cost of prescription medications by requiring patients to try less expensive treatments before they are allowed to receive more costly treatments. While the intention behind step therapy may be to reduce costs, it can often have negative consequences for patients, especially for individuals being treated for a mental illness and/or substance use disorder.

Patients with serious mental illness have high rates of medication nonadherence and are vulnerable to treatment disruptions. In a national study of dual-eligible psychiatric patients, 43.3% were unable to obtain clinically indicated medications due to coverage restrictions, 28.9% discontinued or temporarily stopped medications due to coverage issues, and patients subjected to step therapy had 2.4 to 3.4 times increased likelihood of adverse events compared to those without such restrictions. (J Clin Psychiatry 2010 Apr;71(4):400-10. doi: 10.4088/JCP.08m04608whi.)

Another study found that step therapy for antidepressants reduced overall medication use while increasing mental health-specific inpatient and emergency room utilization and costs. (Am J Psychiatry 2010 Oct;167(10):1202-9.)

Research on Medicaid formulary restrictions found that 69% of patients resumed the same medication after mental health-related hospitalization, and restrictions increased the likelihood of returning to previously failed treatments by 20.1% or ceasing treatment altogether by 11.6%. (Am J Manag Care. 2014 Mar;20(3):219-28.)

In stepwise pharmacotherapy for depression, patients requiring more treatment steps (Step 4 versus Steps 1-3) had significantly higher relapse rates, even after adjusting for baseline severity and other covariates. (J Affect Disord 2021 Oct 1:293:109-116. doi: 10.1016/j.jad.2021.06.015. Epub 2021 Jun 18.)

- **Delayed Treatment:** When patients are required to try less expensive treatments before being prescribed more expensive ones, it can lead to delays in treatment, which can be detrimental to patients' health. For example, suppose a patient with schizophrenia is required to try a less effective medication before being prescribed a more effective one. In that case, the patient's symptoms may worsen during this delay. When a patient with a mental health disorder decompensates, the patient could hurt himself or others, which could lead to a loss of liberty either through involuntary commitment or incarceration.

- **Adverse Effects:** In some cases, patients may have adverse reactions to the less expensive treatments they must try first. This can lead to unnecessary suffering and may even result in hospitalization or other medical complications.

The Maryland Psychiatric Society, Inc., A District Branch of the American Psychiatric Association
1211 Cathedral Street, Baltimore, Maryland 21201, 410 625-0232, Fax 410 547-0915
mps@mdpsych.org, www.mdpsych.org

MARYLAND PSYCHIATRIC SOCIETY



- **Medical Necessity:** Step therapy protocols may not consider individual patients' unique needs. A medication that works well for one patient may not work for another, and patients may need to try multiple medications before finding one that works for them. Step therapy protocols can limit patient access to necessary medications based on cost considerations rather than medical necessity.
- **Physician Discretion:** Physicians are trained to make treatment decisions based on their patient's needs and medical history. Step therapy protocols may undermine physicians' ability to make the best patient treatment decisions.

Step therapy protocols in serious mental illness are associated with increased hospitalizations, emergency department visits, and higher overall costs, while individualized treatment approaches demonstrate improved remission rates and reduced relapse risk.

In summary, step therapy or fail-first protocols can have negative consequences for patients, including delayed treatment, adverse effects, limitations on medical necessity, and a reduction in physician discretion. As such, we ask the committee for a favorable report on SB490.

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

SB0490_MHAMD_FAV.pdf

Uploaded by: Dan Martin

Position: FAV



1301 York Road, #505
Lutherville, MD 21093
phone 443.901.1550
fax 443.901.0038
www.mhamd.org

**Senate Bill 490 Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and
Prior Authorization - Prescription Drugs to Treat Serious Mental Illness**

Finance Committee

February 17, 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 and substance use disorders (collectively referred to as behavioral health). We appreciate the opportunity to provide this testimony in support of Senate Bill 490.

SB 490 prohibits Maryland Medicaid from applying step therapy, fail-first protocols and prior authorization requirements to medications used to treat serious mental illness.

The treatment of illnesses outlined in this bill – bipolar disorder, schizophrenia, major depression, and post-traumatic stress disorder – commonly includes a variety of psychiatric medications. These medications are used to manage the symptoms of these illnesses, maintain social functioning, avoid adverse outcomes and achieve recovery. Serious mental illness can be chronic and potentially disabling, so it is important to identify the proper medication regiment. This is a decision that should be made by the individual and their provider in consideration of the effects certain medications may have on that individual.

The practices SB 490 would prohibit are used to control the cost of prescription medications. They delay treatment and require patients to try – and fail – on payer-preferred medications before receiving the medication their health care provider has actually recommended. This process can take weeks or months and have serious negative health consequences, especially for individuals living with serious mental illness. These practices often result in an escalation of symptoms, a worsening of illness and a transfer of costs to the taxpayer in the form of preventable hospital emergency department utilization, homelessness and criminal justice involvement.

Step therapy, fail-first protocols and prior authorization requirements undermine treatment decisions that are based on patient needs and medical history. This can result in negative health outcomes and increased costs. For these reasons, MHAMD supports SB 490 and urges a favorable report.

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

SB 490_Medicaid Step Therapy Fail First_FAVORABLE.

Uploaded by: Dan Rabbitt

Position: FAV



February 17, 2026

**Senate Finance Committee
TESTIMONY IN SUPPORT**

SB 490 - Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription Drugs to Treat Serious Mental Illness

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 strongly supports SB 490 - Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription Drugs to Treat Serious Mental Illness. This bill would provide crucial protections to Maryland Medicaid beneficiaries being treated for serious mental illness and help prevent costly disruptions in care.

The treatment of bipolar disorder, schizophrenia, major depression, and post-traumatic stress disorder (collectively known as ‘serious mental illness’) relies on the use of a variety of psychiatric medications. These medications are necessary to manage the symptoms of these illnesses, maintain social functioning, avoid adverse outcomes like justice-involvement, and ultimately achieve recovery.^{1,2} Serious mental illness can be chronic and potentially disabling, so it is critical to identify the proper medication regimen. The effectiveness of psychiatric medications, however, can vary significantly from person to person.³ Any interruption of one’s medication regimen can have serious long-term consequences of the individual’s symptom management and social functioning.⁴ This must be avoided if at all possible because these consequences can be long lasting even if the individual eventually gets back on the previous effective medication regimen.

As the LBHA for Baltimore City, BHSB oversees many programs to treat individuals diagnosed with serious mental illness. These programs such as Assertive Community Treatment (ACT) and Assisted Outpatient Treatment (AOT) demand high-intensity services and relatively high levels of funding. It is essential for program participants to receive the medication that works best for them to avoid further instability and higher costs. Under no circumstances should an individual with serious mental illness have their medications disrupted due to insurance carrier preference for medications. That decision should be made between the individual and their provider and must consider the specific medications that work best for that individual. Any cost savings that could be achieved by requiring a preferred medication will be more than offset by costs due to crisis and decompensation. These conditions are too severe and the consequences of a mental health crisis too great to use fail first or step therapy approaches to psychiatric treatment.

SB 490 is a reasonable approach to ensuring effective treatment of serious mental illness while managing state costs. Many other states have enacted a similar policy and have not experienced significant cost increases. A recent study of Michigan residents with serious mental illness found that its

prohibition on fail first policies resulted in lower costs and better care than in comparable states without this prohibition.⁵ Maryland should join the 24 other states that have adopted this approach.

Prior authorization and utilization review policies must not disrupt the medication regimen decided upon by the individual and their provider. **BHSB urges the Senate Finance Committee to support SB 490.**

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

References:

¹ Agency for Healthcare Research and Quality (AHRQ). "Treatments for Schizophrenia in Adults: A Systematic Review." AHRQ Publication No. 17(18)-EHC031-EF. October 2017. Available at

https://effectivehealthcare.ahrq.gov/sites/default/files/pdf/schizophrenia-adult_research-2017.pdf

² AHRQ. "Treatments for Bipolar Disorder in Adults: A Systematic Review." AHRQ Publication No. 18-EHC012-EF.

August 2018. Available at https://effectivehealthcare.ahrq.gov/sites/default/files/related_files/cer-208-bipolar-report.pdf

³ McCutcheon RA, Pillinger T, Efthimiou O, Maslej M, Mulsant BH, Young AH, Cipriani A, Howes OD. "Reappraising the variability of effects of antipsychotic medication in schizophrenia: a meta-analysis." *World Psychiatry*. 2022 Jun;21(2):287-294. Available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9077611/>.

⁴ Semahegn A, Torpey K, Manu A, Assefa N, Tesfaye G, Ankomah A. Psychotropic medication non-adherence and its associated factors among patients with major psychiatric disorders: a systematic review and meta-analysis. *Syst Rev*. 2020 Jan 16;9(1):17. Available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6966860/>.

⁵ Patel, Rashmi, et al., "Open Access to Antipsychotics in State Medicaid Programs: Effect on Healthcare Resource Utilization and Costs Among Patients with Serious Mental Illness," *Journal of Health Economics and Outcomes Research*, 2025. Available at <https://jheor.org/article/137909-open-access-to-antipsychotics-in-state-medicaid-programs-effect-on-healthcare-resource-utilization-and-costs-among-patients-with-serious-mental-illne>.

SB0490_FAV_MedChi_MMAP - Step Therapy, Fail-First

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

February 17, 2026

Senate Bill 490 – *Maryland Medical Assistance Program – Step Therapy, Fail-First Protocols, and Prior Authorization – Prescription Drugs to Treat Serious Mental Illness*

POSITION: SUPPORT

On behalf of The Maryland State Medical Society (MedChi), the largest physician organization in Maryland, we submit this letter of **support** for Senate bill 490. This bill is narrowly drafted to prohibit the Medicaid program from applying a prior authorization requirement or step therapy protocol for a prescription drug used to treat an enrollee’s diagnosis of: (1) bipolar disorder; (2) schizophrenia; (3) major depression; (4) post-traumatic stress disorder; or (5) a medication-induced movement disorder associated with the treatment of a serious mental illness. The bill has a three-year sunset.

In the commercial market, Maryland has made great strides to protect patients from unnecessary barriers that restrict or delay care for the treatment of a mental disorder. For example, a carrier may not issue a denial for a reauthorization of the same prescription drug or request additional documentation from the prescriber if the prescription drug is used to treat a mental disorder and certain criteria are met. In addition, Maryland has long allowed an individual not to be subject to a step protocol if the patient has already been on a drug for 180 days.

Medicaid recipients must not be subjected to protocols that delay or obstruct access to medically necessary care. When treatment is postponed or access to essential medications is restricted, the consequences are not merely administrative but are clinical and societal. Delays in care significantly increase the likelihood of psychiatric crises, emergency department visits, preventable hospitalizations, homelessness, and even involvement with the criminal justice system. These outcomes are not only devastating for individuals and families but also impose far greater costs on healthcare systems and communities.

Timely access to prescribed medication for individuals living with serious mental illness is a public health imperative. Policies that create unnecessary barriers undermine stability, recovery, and safety. We must prioritize systems that facilitate rapid, uninterrupted access to treatment, recognizing that early and consistent intervention prevents crises, reduces long-term expenditures, and upholds the dignity and well-being of some of our most vulnerable community members. Therefore, we urge a favorable vote on Senate Bill 490.

For more information call:

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

SB0490 MRHA.pdf

Uploaded by: Estelle Yeung

Position: FAV



Statement of Maryland Rural Health Association (MRHA)

To the Senate Finance Committee
Chair: Senator Pamela Beidle
February 13, 2026

Senate Bill 0490: Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription Drugs to Treat Serious Mental Illness

POSITION: SUPPORT

Chair Beidle, Vice Chair Hayes, and members of the Committee, the Maryland Rural Health Association (MRHA) is in SUPPORT of Senate Bill 0490: Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription Drugs to Treat Serious Mental Illness.

The MRHA supports SB 0490, which seeks to prohibit Medicaid and Maryland-regulated health plans from implementing fail-first or step-therapy protocols for prescription drugs used to treat specific mental health disorders outlined in the bill, including bipolar disorder, schizophrenia, major depression, PTSD, and medication-induced movement disorders related to the treatment of serious mental illnesses.

Research shows that excessive use of step therapy, fail-first, and prior authorization results in worse health outcomes for patients, administrative burdens for providers, and higher hospitalization rates, especially for patients with serious mental illness.¹ In 2023, 26% of adults who took medication for mental illness experienced prior authorization problems, while only 13% of insured adults who did not seek mental health services experience similar issues.² Patients often pay out-of-pocket for ineffective initial medications, extra office visits, hospital stays, and emergency room visits.¹ This increases costs for both patients and the health system.

In rural areas that are already experiencing health provider workforce shortages, the administrative burden of negotiating prior authorization denials with insurers lies with clinicians.³ This puts further stress on the provider workforce and can lead to burnout. On the patient side, those living in rural areas with less reliable access to the Internet are less able to complete insurance paperwork and negotiate with their insurers.³

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. American Medical Association. Prior authorization delays care—and increases health care costs. American Medical Association. Published August 9, 2024. Accessed February 13, 2026. <https://www.ama-assn.org/practice-management/prior-authorization/prior-authorization-delays-care-and-increases-health-care>
2. Pollitz K, Pestaina K, Lopes L, Wallace R, Lo J. Consumer problems with prior authorization: evidence from KFF survey. KFF. Published September 29, 2023. Accessed February 13, 2026. <https://www.kff.org/affordable-care-act/consumer-problems-with-prior-authorization-evidence-from-kff-survey/>
3. Applied Policy. Prior authorizations and health equity. Applied Policy. Published July 21, 2023. Accessed February 13, 2026. <https://www.appliedpolicy.com/prior-authorizations-and-health-equity/>

SB 490-Step Therapy-Fail-First Protocols and Prior

Uploaded by: Jaden Farris

Position: FAV

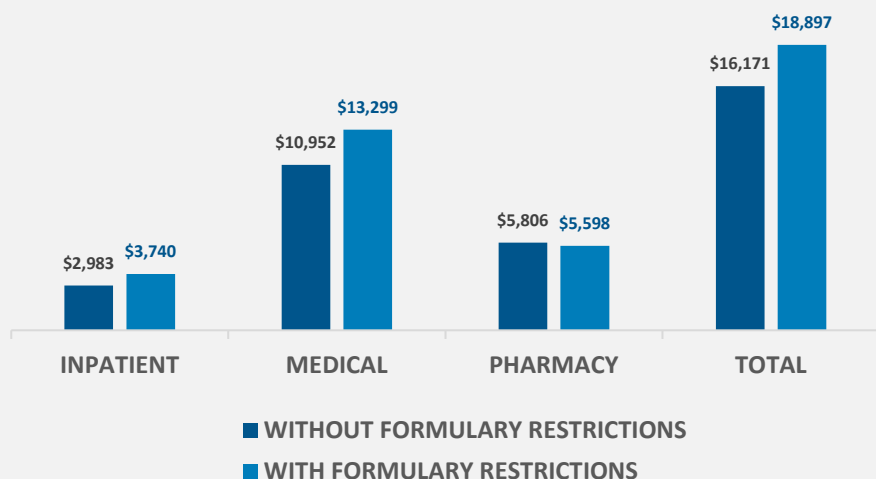
HEALTH PLAN FORMULARY RESTRICTIONS ON MEDICATIONS FOR SERIOUS MENTAL ILLNESS

People living with serious mental illnesses (SMI), such as schizophrenia and bipolar disorder, should not have to “fail first” on medications preferred by the payer. Due to the nature of SMI, adherence to medication is already a significant challenge¹, and more than 50% of psychiatrists surveyed said formulary restrictions are most frequent roadblock to optimal treatment.²

Commercial and public health plan formulary restrictions, including “prior authorization” (PA) and “step therapy protocol” requirements, are designed to control health plan costs. However, these policies based primarily on cost savings rather than on clinical considerations may diminish access to necessary medications and ultimately result in significant human, economic, and social costs.³

Predicted Expenditures With and Without Formulary Restrictions for Atypical

Antipsychotics: Patients with Schizophrenia⁴



Applying formulary restrictions to atypical antipsychotics is associated with higher total medical expenditures for patients with schizophrenia and bipolar disorder in Medicaid.⁵



Prior authorization requirements for atypical antipsychotics are associated with a **22% increase in the likelihood of imprisonment.**⁶



Patients with schizophrenia subject to formulary restrictions **were more likely to be hospitalized with 23% higher inpatient costs.** Similar effects were observed for patients with bipolar disorder.⁷



Patients who discontinued or temporarily stopped taking their medications because of prescription drug coverage, utilization management, or copayment issues also had **3.2 times greater odds of being homeless.**⁸

Policymakers should prohibit health plans from establishing formulary restrictions, such as “prior authorizations” or “step therapy protocols,” on medications treating serious mental illness.

1. Higashi, Kyoko et al. “Medication adherence in schizophrenia: factors influencing adherence and consequences of nonadherence, a systematic literature review.” *Therapeutic advances in psychopharmacology* vol. 3,4 (2013): 200-18. doi:10.1177/2045125312474019. 2. Psychiatrists’ Perceptions of Insurance-Related Medication Access Barriers, Ruth S. Shim, Cathy Lally, Rebecca Farley, Chuck Ingoglia, and Benjamin G. Druss, *Psychiatric Services* 2014 65:11, 1296-1296. 3. Medicaid Prescription Drug Policies and Medication Access and Continuity: Findings From Ten States. Joyce C. West, Ph.D., M.P.P., Joshua E. Wilk, Ph.D., Donald S. Rae, M.A., Irvin S. Muszynski, J.D., Maritza Rubio Stipeck, Sc.D., Carol L. Alter, M.D., Karen E. Sanders, M.S., Stephen Crystal, Ph.D., and Darrel A. Regier, M.D., M.P.H. *Psychiatric Services* 2009 60:5, 601-610. 4. Seabury et al., “Formulary Restrictions on Atypical Antipsychotics: Impact on Costs for Patients with Schizophrenia and Bipolar Disorder in Medicaid,” *American Journal of Managed Care*. 20(2): e52-e60. 2014. 5. *Id.* 4. 6. Medicaid Prior Authorization Policies and Imprisonment Among Patients With Schizophrenia, Dana Goldman, PhD, John Fastenau, MPH, RPH, Riad Dirani, PhD, Eric Helland, PhD, Geoff Joyce, PhD, Ryan Conrad, PhD, Darius Lakdawalla, PhD, *The American Journal of Managed Care*, July 2014, Volume 20, Issue 7. 7. *Id.* 4. 8. *Id.* 3.

Coverage for Antipsychotic Medications

Patients and Prescribers Prevail

PEOPLE WITH SCHIZOPHRENIA

- Have 13-15 years less life expectancy¹
- Are 20x more likely to commit suicide¹
- Are 4-6x more likely to be victimized²

The estimated cost of illness was over \$280 billion in 2020³
Schizophrenia is the 15th leading cause of disability worldwide⁴

PEOPLE WITH BI-POLAR DISORDER

- Have 13 years shorter life expectancy⁵
- Have 20-30x higher risk for suicide⁶

Total estimated cost of illness was over \$195 billion in 2018⁷
Bi-polar Disorder is the 25th leading cause of disability worldwide⁴



ARREST & INCARCERATION

2 MILLION PEOPLE
with a serious mental illness
are **JAILED** annually.⁸

EMERGENCY CARE

Over 380,000 Emergency Department visits annually involved adults with schizophrenia.⁴ About 50% of these visits led to hospitalization.⁹

HOMELESSNESS

Over 1 in 5 homeless persons are living with a serious mental illness.¹⁰

People with serious mental illnesses including schizophrenia and bi-polar 1 disorder **should not have to fail first** on medications preferred by the payer. **Fail first policies** are associated with **reduced medication adherence, increased inpatient costs, and increased medical costs.**^{11,12} Fail first policies place burdens on patients and providers and undermine patient care.^{13,14}

PROPOSAL

Public and commercial health plans should be prohibited from applying fail first policies on medications approved by the FDA for the treatment of serious mental illnesses including schizophrenia and bi-polar 1 disorder.

CITATIONS (1) Hjorthøj, C. et al. 2017. Years of potential life lost and life expectancy in schizophrenia: a systematic review and meta-analysis. *The Lancet Psychiatry*, 4(4), pp.295-301. (2) de Vries, B. et al. 2019. Prevalence rate and risk factors of victimization in adult patients with a psychotic disorder: a systematic review and meta-analysis. *Schizophrenia Bulletin*, 45(1), pp.114-126. (3) Schizophrenia and Psychosis Action Alliance (2021). [Societal Costs of Schizophrenia and Related Disorders](#). (4) Vos, T. et al. 2017. "Global, regional, and national incidence, prevalence, and years lived with disability for 328 diseases and injuries for 195 countries, 1990–2016: a systematic analysis for the Global Burden of Disease Study 2016." *The Lancet*, pp. 1211-1259. (5) Chan JKN, Tong CHY, Wong CSM, et al. Life expectancy and years of potential life lost in bipolar disorder: systematic review and meta-analysis. *Br J Psychiatry*. 2022;1-10. (6) Miller, J.N., Black, D.W. (2020). Bipolar Disorder and Suicide: a Review. *Curr Psychiatry Rep* 22, 6. (7) Bessonova, L. et al., 2020. The economic burden of bipolar disorder in the United States: a systematic literature review. *Clinicoeconomic.s and Outcomes Research: CEOR*, 12, p.481. (8) US Dept of Health and Human Services, SAMHSA. Interdepartmental Serious Mental Illness Coordinating Committee, *The Way Forward: Federal Action for a System That Works for All People Living With SMI and SED and Their Families and Caregivers (Report to Congress)*, p. 1. (9) HHS. NCHS. Emergency department visits related to schizophrenia among adults aged 18–64: United States, 2009–2011. NCHS data brief, no 215. Hyattsville, MD: National Center for Health Statistics. 2015. (10) US HUD. [HUD 2020 Continuum of Care Homeless Assistance Programs Homeless Populations](#). 2022. (11) Seabury, S. et al. (2014). Formulary Restrictions on Atypical Antipsychotics: Impact on Costs for Patients With Schizophrenia and Bipolar Disorder in Medicaid. *American Journal of Managed Care*, 20 (2), pages e52-e60. (12) Rajagopalan, K. et al., 2016. Review of outcomes associated with restricted access to atypical antipsychotics. *The American journal of managed care*, 22(6), pp.e208-e214. (13) Ibid. (14) Barnett, B.S. and Bodkin, J.A., 2020. A survey of American psychiatrists concerning medication prior authorization requirements. *The Journal of Nervous and Mental Disease*, 208(7), pp.566-573.

SB 490- Step Therapy, Fail-First Protocols, and Pr

Uploaded by: Jake Whitaker

Position: FAV



Maryland
Hospital Association

Senate Bill 490- Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription Drugs to Treat Serious Mental Illness

Position: *Support*

February 17, 2026

Senate Finance Committee

MHA Position

On behalf of the Maryland Hospital Association's (MHA) member hospitals and health systems, we appreciate the opportunity to comment in support of Senate Bill 490. This bill will eliminate barriers to care and increase access to critical prescription drugs used to treat serious mental illness. Increased access to behavioral health care will enable hospitals to discharge patients who no longer need emergency department or acute care services to more appropriate care settings, alleviate bottlenecks in hospital throughput, and reduce emergency department wait times.

Due to rising prescription drug costs, health payers, including private carriers and the Maryland Medicaid Program, increasingly require patients to undergo step therapy, which is a process where the patient must first try and fail on another drug—often a less expensive variation—before being allowed to step up to the more expensive medication. Additionally, health payers frequently require patients to apply for prior authorization, where a health care provider must obtain permission from a patient's health plan before accessing critical prescription drugs. While these practices theoretically can control cost, improper use of step therapy and prior authorization delays access to necessary drugs and can lead to negative health outcomes. MHA supports proposals to reduce unnecessary delays and expedite patient access to medications

SB 490 would ensure access to prescription drugs to treat serious mental illness in two ways. First, the bill would exempt prescription drugs used to treat serious mental disorders from step therapy protocols. Studies show step therapy may inadvertently reduce antidepressant use and increase overall and mental health-specific inpatient and emergency room expenditure and utilization.¹ Second, this bill would prohibit Maryland health payers from applying prior authorization requirements for prescription drugs used to treat serious mental illnesses. Reforms to streamline prior authorization for prescription drugs to treat serious mental illness would reduce unnecessary delays to critical behavioral health care services.

¹ "The Effects of Antidepressant Step Therapy Protocols on Pharmaceutical and Medical Utilization and Expenditures," *The American Journal of Psychiatry*, Oct. 1, 2010.
ajp.psychiatryonline.org/doi/full/10.1176/appi.ajp.2010.09060877

The U.S. has a severe behavioral health crisis, which was only exacerbated by the COVID-19 pandemic.^{2,3} While not the silver bullet, medications serve an important role in treating mental health disorders, and access to prescription drugs should be protected. Maryland hospitals support this bill's efforts to eliminate barriers to affordable behavioral health care coverage.

We look forward to our continued partnership with the state and the legislature to create sustainable solutions for access to affordable, comprehensive health insurance coverage.

For these reasons, we request a favorable report on SB 490.

For more information, please contact:

Jake Whitaker, Assistant Vice President, Government Affairs & Policy
Jwhitaker@mhaonline.org

² "The US' growing mental health crisis, in 6 charts," Advisory Board, Oct. 7, 2022. www.advisory.com/daily-briefing/2022/10/07/mental-health-crisis

³ "Increased need for mental health care strains capacity," American Psychological Association, Nov. 15, 2022. www.apa.org/news/press/releases/2022/11/mental-health-care-strains

2026 SB490 NAPNAP.pdf

Uploaded by: JD Murphy

Position: FAV

February 13, 2026

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

Dear Honorable Chair, Vice-Chair and Members of the Committee:

On behalf of the pediatric nurse practitioners (PNPs) and fellow pediatric-focused advanced practice registered nurses (APRNs) of the National Association of Pediatric Nurse Practitioners (NAPNAP) Chesapeake Chapter, I am writing to express our **support of Senate Bill 490 Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription Drugs to Treat Serious Mental Illness.**

This bill would prohibit the Maryland Medical Assistance Program from applying a prior authorization requirement, a step therapy protocol, or a fail-first protocol for prescription drugs used to treat certain mental illnesses including: Bipolar disorder, Schizophrenia, Major Depression, Post Traumatic Stress Disorder, or medication induced movement disorder associated with the treatment of a mental health disorder. Step therapy, also known as "fail first" or "step protocol", is a prior authorization practice that can affect prescription drugs used to treat serious mental illnesses. Insurers require patients to try one or more alternative medications before they can access medicine that has been recommended and prescribed by their provider. Insurers choose the alternative medications, not the patient's healthcare provider. This approach places the decision-making power in the hands of insurers rather than those who are directly managing the patient's care.

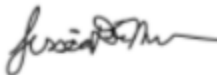
By placing the patient on the insurer's preferred alternative medication and not placing the patient on the medication that is recommended and prescribed by their provider can result in several adverse outcomes.

- Step therapy can delay necessary treatment and lead to adverse reactions
- It can force patients into a trial-and-error approach with treatments that may be less effective
- It can lead to worsened symptoms and long-term permanent harm to patients' health and well-being

For these reasons the Maryland Chesapeake Chapter of NAPNAP extends their support to **support of SB 490 Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription Drugs to Treat Serious Mental Illness and requests a favorable report.**

The pediatric advanced practice nurses of your state are grateful to you for your attention to these crucial issues. The Chesapeake Chapter of the National Association of Pediatric Nurse Practitioners membership includes over 200 primary and acute care pediatric nurse practitioners who are committed to improving the health and advocating for Maryland's pediatric patients. If we can be of any further assistance, or if you have any questions, please do not hesitate to contact the chapter legislative chair, Dr. JD Murphy at mdchesnapnapleg@outlook.com.

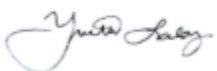
Sincerely,



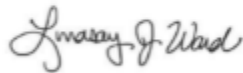
Dr. Jessica D. Murphy DNP, CPNP-AC, CPHON, CNE
Maryland Chapter Legislative Chair



Dr. Evgenia Ogorodova DNP, CPNP-PC
Chapter Legislative Co-Chair



Dr. Yvette Laboy DNP, CPNP-AC,
CCRN, CPN; Chapter President



Ms. Lindsay Ward MSN, CPNP-PC,
IBCLC; Immediate Past-President



Dr. Samantha Hoffman DNP, MS,
CPNP-PC; Chapter President-elect

Health Care for the Homeless - 2026 SB 490 FAV - F

Uploaded by: Joanna Diamond

Position: FAV

**HEALTH CARE FOR THE HOMELESS TESTIMONY
IN SUPPORT OF**

SB 490 - Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription Drugs to Treat Serious Mental Illness



**Senate Finance Committee
February 17, 2026**

Health Care for the Homeless supports SB 490, which would prohibit Medicaid from applying a prior authorization requirement for prescriptions to treat certain serious mental illnesses. The bill would also prohibit Medicaid's requirements of step therapy or fail-first protocols for specified serious mental illnesses. With access to serious mental health treatment already so challenging, removing such administrative barriers ensures that vital medication can get to our most vulnerable clients.

Health Care for the Homeless Director of Psychiatry, Meredith Johnston, MD, details the barriers her patients with serious mental illness have faced as a result of these arbitrary protocols:

Dear Chairperson and Esteemed Members of the Committee,

My name is Meredith Johnston, and I am a board-certified psychiatrist with 18 years of experience treating severe and persistent mental illness. I strongly support SB 490 which prohibits prior authorization, step therapy, and fail-first protocols for prescription drugs treating mental illnesses.

Mental health crises require urgent action. Delays caused by administrative barriers can worsen symptoms, leading to unnecessary suffering and more intensive, costly interventions later. Quick and appropriate intervention can help people stay out of the hospital and not get involved with police and criminal charges for being acutely ill in public.

Step therapy that requires "fail first" criteria can be particularly harmful for people with severe and persistent mental illness that require highly individualized and nuanced treatment based on an understanding of each patient's history, co-morbidities, and response to prior treatments. Delaying care with increased administrative burdens undermines clinical judgement.

Case Example

I recently had a patient with severe tardive dyskinesia. He met the criteria for Ingrezza to target his medication-induced movement disorder. The prior authorization was declined multiple times as the peer reviewer questioned his diagnosis of clear schizophrenia in the context of long-term sequelae of homelessness. The patient gave up waiting for an approval and apparently has abandoned treatment.

In conclusion, SB 490 represents a crucial step toward ensuring that individuals with mental illnesses receive the care they need without unnecessary delays or barriers. By supporting this bill, you are prioritizing the mental health and well-being of Maryland's residents and affirming the importance of evidence-based, patient-centered care.

Thank you for your time and consideration. I urge you to vote in favor of this critical legislation.

For the health and safety of our patients, Health Care for the Homeless urges a favorable report on SB 490.

Health Care for the Homeless is Maryland's leading provider of integrated health services and supportive housing for individuals and families experiencing homelessness. We deliver medical care, mental health services, state-certified addiction treatment, dental care, social services, housing support services, and housing for over 11,000 Marylanders annually at sites in Baltimore City and Baltimore County.

Our Vision: Everyone is healthy and has a safe home in a just and respectful community.

Our Mission: We work to end homelessness through racially equitable health care, housing and advocacy in partnership with those of us who have experienced it.

For more information, visit www.hchmd.org.

testimony SB 490 MDDCSAM Fail First MH meds prohib

Uploaded by: Joseph Adams, MD

Position: FAV



MDDCSAM is the Maryland state chapter of the American Society of Addiction Medicine whose members are physicians and other health providers who treat people with substance use disorders.

SB 490 SUPPORT

Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription Drugs to Treat Serious Mental Illness

Senate Finance Committee

February 17, 2026

A therapeutic trial of a medication for mood disorders often takes 6-8 weeks before its effectiveness can be evaluated. Starting at low doses and slowly titrating can improve tolerability and compliance, but makes the evaluation period even longer.

Encouraging consistent adherence to stigmatized mental health medications is a well-known challenge. **Non-adherence to psychotropic medications is highly correlated with utilization of high-cost care in emergency departments and hospitals.**

When a patient stabilized on a medical regimen is required to discontinue it, **consequences can be severe. An exacerbation of depression or bipolar symptoms can be disruptive or dangerous.** Patients stabilized in an in-patient facility may need to switch medications at a period of vulnerability, soon after hospital discharge.

Barriers to care is already a significant problem for people with serious mental illness. These changes would go a long way to reducing these barriers.

We respectfully urge a favorable report.

Joseph A. Adams, MD, Co-Chair, MDDCSAM Public Policy Committee.

SB0490 Testimony.pdf

Uploaded by: Madelin Martinez

Position: FAV

SB0490**Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription Drugs to Treat Serious Mental Illness**

Finance

February 17, 2026

Support

Catholic Charities of Baltimore supports SB0490, which would prohibit applying a prior authorization, step therapy or fail-first protocol for prescription drugs utilized to treat bipolar disorder, schizophrenia, major depression, post-traumatic stress disorder, or a medication-induced movement disorder associated with the treatment of serious mental illness.

For more than a century, Catholic Charities has provided care and services to improve the lives of Marylanders in need. We accompany Marylanders as they age with dignity, support their pursuit of employment and career advancement, heal from trauma and addiction, achieve independence, prepare for educational success, and welcome immigrant neighbors into Maryland communities.

As the largest private provider of human services in Maryland, we provide behavioral health services to more than 3,500 patients through our Villa Maria Behavioral Health Services program. Through our work, we see firsthand how delays in accessing appropriate treatment due to prior authorization requirements and fail-first protocols can significantly worsen the mental health conditions of patients living with serious mental illness, many of whom are also experiencing homelessness. Although prior authorization is intended to manage prescription drug costs, approval wait times ranging from two to 14 days can create harmful and clinically inappropriate delays in care. These delays interrupt treatment continuity and are associated with higher relapse rates.

Research consistently demonstrates the consequences of these delays. A Johns Hopkins University study published on September 3, 2025, in *The American Journal of Medicine* found across 11 studies that prior authorization was associated with higher relapse rates and interruptions in treatment. Similarly, a survey of 1,000 practicing physicians conducted by the American Medical Association (AMA) found that 94% reported prior authorization always, often, or sometimes delays patients' access to necessary care (AMA, 2026). Step therapy, or fail-first protocols, further compounds these challenges by delaying access to evidence-based treatments and preventing clinicians from prescribing the most appropriate course of care based on an individual's medical history and clinical need.

Prohibiting the use of prior authorization, step therapy, and fail-first protocols for medications used to treat serious mental illness would ensure timely, uninterrupted care and reduce the risk of relapse for patients with serious mental health conditions, many of whom we serve.

For these reasons, Catholic Charities of Baltimore urges the committee to issue a favorable report for SB0490.

Submitted By: Madelin Martinez on behalf of Sarah Katvala, Advocacy Fellow and Dr. Taylor Scott, Chief Medical Officer, Catholic Charities Family Services

SB490- FAIL FIRST- FAV- NAMI.pdf

Uploaded by: Michael Gray

Position: FAV

February 17, 2026

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

The National Alliance on Mental Illness (NAMI)-Maryland respectfully requests a favorable report on SB490.

NAMI Maryland and our 11 local affiliates across the state represent a network of more than 58,000 families, individuals, community-based organizations, and service providers. We are 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 believes that all people with mental health conditions deserve access to effective medication and treatment options. Therefore, we work to ensure open access to psychiatric medication and strongly oppose fail first protocols, or what the health insurance industry calls “step therapy,” in Maryland’s laws and policies. SB490 takes an important step towards removing a barrier to treatment by prohibiting the use of fail first protocols for Medicaid enrollees who are living with serious mental illness.

Fail First Protocols Harm People Living with Serious Mental Illness

Mental health medications affect people in different ways, including varying levels of effectiveness and different side effects. Because of this, it is important that a person can access the medication that works best for them. Medication decisions should be carefully considered by a healthcare provider who has both extensive knowledge of the patient and available medication options.

Health insurers often require that patients demonstrate unsuccessful treatment on one or more insurer-preferred medications before they receive coverage for the medication that their prescribing healthcare provider recommends. Those patients must first fail on one or more medication before they can “step up” to another. Fail first protocols result in patients not being able to access the treatments they need in a timely manner.

There are an estimated 1.4 million adults in Maryland with a mental health condition and at least 375,000 adults in Maryland living with serious mental illness.¹ In that later population especially, fail first protocols are a danger to the health and well-being of the person taking medication, and result in worsening of symptoms and undermining the decisions made between individuals and their health care providers. Patients subjected to fail first protocols are associated with “4.7 times greater odds of a medication access or continuity problem.”² Several studies show that policies like fail

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

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

first/step therapy can lead to higher healthcare costs and delays in stabilizing patients, especially people with serious mental illness.³

Lack of access to necessary medication and treatment can lead to prolonged and more serious symptoms. Under SB490, individuals diagnosed with serious mental illness would be exempt from fail-first protocols for medications used to treat those conditions. Untreated or inadequately treated serious mental health conditions can result in unnecessary disability, emergency department visits and hospitalizations, unemployment, substance abuse, being unhoused or unsheltered, criminal justice involvement, and increased risk of suicide.

SB490 Should Not Increase Overall Costs

Twenty-four states now have laws similar to SB490.⁴ Michigan banned fail first protocols for mental health medications in 2004. A recent study⁵ compared Michigan Medicaid patients with serious mental illness (SMI) to several other states, and found:

- People who use antipsychotic medications in Michigan were *less likely to experience SMI-related hospitalizations* than those in every other state included in the study (California, Colorado, Florida, Illinois, and Wisconsin).
- *Hospital length of stay was lower* in Michigan than most states.
- *Total cost of treating SMI was lower* in Michigan than four of those five states.

The Michigan Department of Health and Human Services issued a workgroup report⁶ in 2021 analyzing the impacts of disallowing fail first protocols for psychotropic medications. Its findings included:

- “Michigan’s [ban on fail first protocols], in place since 2004, *has not resulted in prescribers flooding Medicaid with claims for brand drugs.*”
- “These data suggest that, if psychotropic medication costs strike some as ‘too great,’ it is because mental illness is so highly common in Medicaid. Ending the [fail first prohibition] to eliminate the roughly 14% of prescriptions for brand products will not likely save major money. *Curtailing access to psychotropics would not necessarily result in savings and could actually negatively impact quality outcomes for our general population and increase costs.* The workgroup does not recommend curtailing access to appropriately prescribed psychotropic medication.”
- “The group does not believe prior authorization tied to costs, and often done in conjunction with step therapy, is good or effective for persons with serious mental illness, their families, Michigan communities including payers, or the providers who strive to serve them.”

NAMI Maryland does not believe that results in our state would be any different than those findings in Michigan. SB490 will save lives and will not see increased costs in state funds.

¹ Extrapolated from prevalence data at: “Mental Illness,” National Institute of Mental Health, https://www.nimh.nih.gov/health/statistics/mental-illness#part_2541. SB490 includes the diagnoses of bipolar disorder, schizophrenia, major depression, post-traumatic stress disorder, and a medication-induced movement disorder associated with the treatment of a serious mental illness.

² Joyce C. West et al., Medicaid Prescription Drug Policies and Medication Access and Continuity: Findings From Ten States, 60 *Psychiatric Services* (2009).

³ See e.g., Seabury, Seth A., et al., “Patient Outcomes and Cost Effects of Medicaid Formulary Restrictions on Antidepressants,” *Forum for Health Economics and Policy* (2014). Goldman, D. P., et al. (2014). Medicaid prior authorization policies and imprisonment among patients with schizophrenia. *The American journal of managed care*, 20(7), 577–586. Baser, O., & Waters, H. C., et al. (2024, April 17). Open access to mental health medication: impact to state medicaid budgets [Poster Presentation]. AMCP 2024 National Meeting New Orleans, Louisiana, USA. West, J.C., et al. (2015). “Medicaid Prescription Drug Policies and Medication Access and Continuity: Findings from Ten States.” *Psychiatric Services*, vol. 60, no. 5, pp. 601–610.

⁴ The following states have laws either banning prior authorization and fail first protocols for mental health medications, or for specific conditions: Delaware, Connecticut, Hawaii, Michigan, Maine, Oregon, Alabama, Arkansas, Colorado, Florida, Georgia, Kansas, Louisiana, Minnesota, Missouri, Montana, North Carolina, North Dakota, Nebraska, New Mexico, Nevada, Ohio, Texas, and Utah.

⁵ Patel, Rashmi, et al., “Open Access to Antipsychotics in State Medicaid Programs: Effect on Healthcare Resource Utilization and Costs Among Patients with Serious Mental Illness,” *Journal of Health Economics and Outcomes Research*, 2025. <https://jheor.org/article/137909-open-access-to-antipsychotics-in-state-medicaid-programs-effect-on-healthcare-resource-utilization-and-costs-among-patients-with-serious-mental-illne>.

⁶ Workgroup Recommendations, Michigan Department of Health & Human Services, 2021.

https://www.michigan.gov/-/media/Project/Websites/mdhhs/Folder4/Folder36/Folder3/Folder136/Folder2/Folder236/Folder1/Folder336/Section_1867-2.pdf?rev=5bc7253e77b949d0a669667f5c20539f.

2026 MCHS SB 490 Senate Side.pdf

Uploaded by: Michael Paddy

Position: FAV



Maryland Community Health System

Bill Number: Senate Bill 490 - Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription Drugs to Treat Serious Mental Illness

Committee: House Health and Government Operations

Hearing Date: February 17, 2026

Position: Support

The Maryland Community Health System (MCHS) supports Senate Bill 490 - Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription Drugs to Treat Serious Mental Illness. The bill would streamline the process for prescribers in ensuring their patients could access needed medication for serious mental illnesses.

Maryland Community Health System (MCHS) is a network of federally qualified health centers that serve underserved communities in urban, suburban, and rural areas across Maryland. Currently, patients with serious mental illnesses face unnecessary delays and administrative hurdles due to insurers requiring additional steps before covering necessary medications. These barriers can lead to treatment delays, which may negatively impact patients' health and well-being.

The bill aims to reduce these obstacles by simplifying the process for prescribers, allowing them to more easily ensure that their patients receive the medication they need without facing extensive paperwork or additional approval processes. This would help ensure timely access to effective treatments, improving overall health outcomes for those with serious mental illnesses.

We ask for a favorable report on this legislation. If we can answer any questions, please contact Robyn Elliott at relliott@policypartners.net.

2026 MOTA SB 490 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 490
Title:	Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription Drugs to Treat Serious Mental Illness
Hearing Date:	February 17, 2026
Position:	Support

The Maryland Occupational Therapy Association (MOTA) supports Senate Bill 490- Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription Drugs to Treat Serious Mental Illness. The bill would streamline the process for prescribers in ensuring their patients could access needed medication for serious mental illnesses.

Occupational therapy practitioners [OTPs] address barriers that individuals with mental health conditions in the community experience 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 OTPs. The bill aims to reduce these obstacles by simplifying the process for prescribers, allowing them to more easily ensure that their patients receive the medication they need without facing extensive paperwork or additional approval processes. This would help ensure timely access to effective treatments, improving overall health outcomes for those with serious mental illnesses.

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

2026-OOOMD-Fail-First-SB 490-FAV (Written).pdf

Uploaded by: Michelle Livshin

Position: FAV



ON OUR OWN
OF MARYLAND

onourownmd.org

7310 Esquire Court
Mailbox 14
Elkridge, MD 21075

410.540.9020

WRITTEN TESTIMONY IN SUPPORT OF

SB 490: Maryland Medical Assistance Program and Health Insurance - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness

Thank you Chair Beidle, Vice-Chair Hayes, and committee members for your commitment to improving the quality and accessibility of healthcare services for Marylanders, especially community members who experience significant behavioral health challenges. On Our Own of Maryland (OOOMD) is a nonprofit behavioral health education and advocacy organization, operating for 30+ years by and for people with lived experience of mental health and substance use recovery.

OOOMD is in support of SB 490, which would remove Medicaid's prior authorization requirements, fail-first or step-therapy protocol for prescription drugs used for treatment of certain serious mental illnesses and medication-induced movement disorders. Individuals living with complex mental health needs already experience significant barriers in accessing mental health supports, treatment, and recovery services in their communities. **This bill could improve care by prioritizing consumer choice, protecting patient-doctor decision-making, and prompting timely access to desired treatment.**

Many individuals living with serious mental health challenges have experienced a gauntlet of programs, treatments, and prescriptions before finding the combination that works for their unique body, mind, and situation. All medications incur risks of adverse side effects and reactions, which can vary greatly from person to person due to individual physiology and concurrent health conditions. The determination of what course(s) of treatment best balances risk and reward should always be led by the individual consumer in consultation with their healthcare provider team.

A 2023 Kaiser Family Foundation¹ survey found 26% of adults who sought treatment for a mental health condition experienced prior authorization problems. When cost-saving protocols undermine consumers' expressed needs and lived expertise, or countermand the thoughtful recommendations of our medical providers, it can result in delayed care, out-of-pocket costs, and declines in health.

We encourage a favorable report. Thank you.

¹ Pestaina, K., Lupes, L., Wallace, R., & Lo, J. (2023, October 12). *Consumer problems with prior authorization: Evidence from KFF survey*. KFF (Kaiser Family Foundation). <https://www.kff.org/affordable-care-act/issue-brief/consumer-problems-with-prior-authorization-evidence-from-kff-survey/>

NCADD-MD - 2026 SB 490 FAV - Step Therapy Prohibit

Uploaded by: Nancy Rosen-Cohen

Position: FAV



**Senate Finance Committee
February 17, 2026**

Senate Bill 490

**Maryland Medical Assistance Program and Health Insurance -
Step Therapy, Fail-First Protocols, and Prior Authorization -
Prescription Drugs to Treat Serious Mental Illness**

NCADD-Maryland supports Senate Bill 490, a bill that would eliminate fail-first, or “step therapy” protocols for people living with bipolar disorder, schizophrenia spectrum disorders, major depression, post-traumatic stress disorder, and movement disorders associated with the treatment of serious mental illness. These protocols prevent people from finding and staying on the medications that best meet their needs and they should be prohibited.

Medications play an important role in the treatment and recovery of many people with mental health and substance use disorders. It is important that people have choices when it comes to medications, because different medications work for different people, even if they have the same diagnosis. Patients, working closely with their providers, should make the best choices for themselves. Arbitrary fail-first policies can not only result in poor outcomes for the patient, but actually cost the health care system more in the long run.

NCADD-Maryland urges this committee to give a favorable report to Senate Bill 490.

MCPA - MSA SB490-MMAP-Step Therapy-Fail-First Prot

Uploaded by: Samira Jackson

Position: FAV



Maryland Chiefs of Police Association Maryland Sheriffs' Association



MEMORANDUM

TO: The Honorable Pam Beidle, Chair and Members of the Senate Finance Committee

FROM: Darren Popkin, Executive Director, MCPA-MSA Joint Legislative Committee
Andrea Mansfield, Representative, MCPA-MSA Joint Legislative Committee
Samira Jackson, Representative, MCPA-MSA Joint Legislative Committee

DATE: February 17, 2026

RE: **SB 490 - Maryland Medical Assistance Program – Step Therapy, Fail-First Protocols, and Prior Authorization – Prescription Drugs to Treat Serious Mental Illness**

POSITION: **SUPPORT**

The Maryland Chiefs of Police Association (MCPA) and the Maryland Sheriffs' Association (MSA) **SUPPORT SB 490**. This bill prohibits prior authorization requirements, step therapy protocols, and fail–first protocols for prescription drugs used to treat individuals with serious mental illnesses (SMI).

Law enforcement witnesses firsthand the devastating effect untreated or undertreated mental illness has on individuals, families, and communities. When individuals with serious mental illness are unable to access needed medications timely due to administrative barriers, they are more likely to cycle through the criminal justice system, emergency departments, and shelters.

This legislation is a critical step to ensure individuals with bipolar disorder, schizophrenia, major depression, and post-traumatic stress disorder receive care without delay. Removing barriers and providing easier access to needed medications will:

- reduce interactions with law enforcement and the courts, allowing officers to focus on public safety rather than crisis intervention;
- decrease homelessness as untreated mental illness is a leading cause of housing instability;
- improve patient outcomes, including medication adherence, stability, and long-term recovery; and
- support public safety by reducing the number of psychiatric emergencies that escalate into criminal incidents.

For these reasons, MCPA and MSA **SUPPORT SB 490** and urge a **FAVORABLE** committee report.

532 Baltimore Boulevard, Suite 308
Westminster, Maryland 21157
667-314-3216 / 667-314-3236

SB 490 - Step Therapy, Fail-First Protocols, and P

Uploaded by: Sara Westrick

Position: FAV



One Park Place | Suite 475 | Annapolis, MD 21401-3475
1-866-542-8163 | Fax: 410-837-0269
aarp.org/md | md@aarp.org | twitter: @aarpmd
facebook.com/aarpmd

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

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

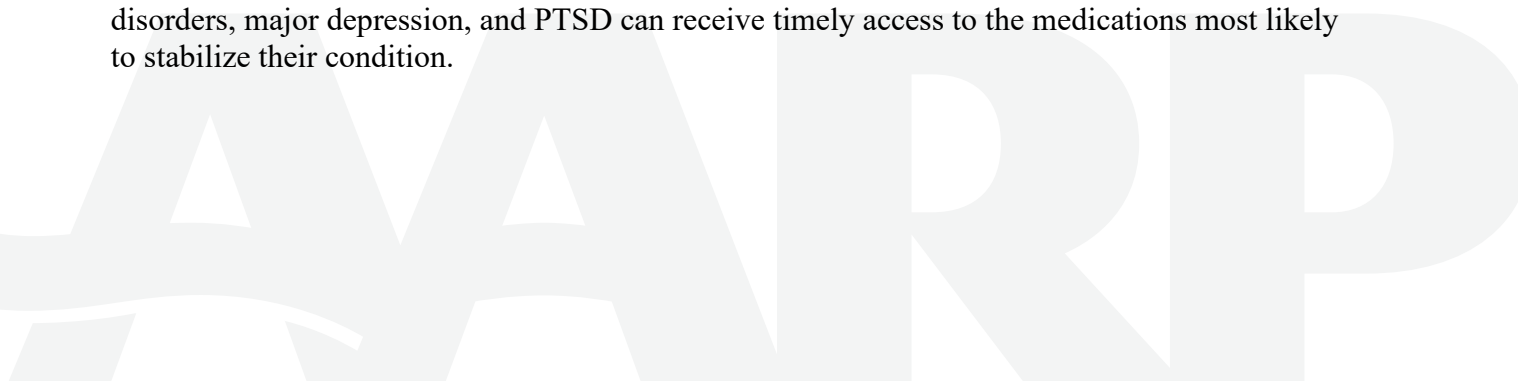
My name is Dr. Lois Meszaros, and I am a licensed psychologist with a clinical practice in Anne Arundel County. As a mental health care provider, I can attest that for individuals living with serious mental illness, timely access to appropriate medications can be lifesaving. Step therapy, fail-first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

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

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

What SB 490 Does

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



Reasons to Support SB 490

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

Research Supporting Reform

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

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

Conclusion

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

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

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

SB 490 Letter - Support.pdf

Uploaded by: Taylor Dickerson

Position: FAV



February 10, 2026

OFFICERS OF THE BOARD

President

Stephanie Wolf, JD, Ph.D.

President-Elect

Peter Smith, Psy.D.

Past President

Brian Corrado, Psy.D.

Secretary

Kim Sanschagrin JD, Ph.D.

Treasurer

Andrea Chisolm, Ph.D.

Representatives-at-large

Deborah Williams, Psy.D.

Laurie Donze, Ph.D.

Representative to APA Council

Mary Fernandes, Ph.D.

COMMITTEE CHAIRS

Communications

Beatrice Gerry, Ph.D.

Diversity

Mindy Milstein, Ph.D.

Early Career Psychologist

Danielle Wexler, Ph.D.

Educational Affairs

Shalena Wade, Ph.D.

Ethics

LaShaun Williams, Psy.D.

Legislative

Stephanie Olarte, Ph.D.

Membership

Dana O'Brien, Ph.D.

Past Presidents' Council

Steve Sobelman, Ph.D.

PROFESSIONAL AFFAIRS

OFFICER

Paul C. Berman, Ph.D.

EXECUTIVE DIRECTOR

Taylor Dickerson

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

Bill: Senate Bill 490 – Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness

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, is writing in **SUPPORT of Senate Bill 490 – Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription to Treat Serious Mental Illness**. The bill addresses a crucial issue in the treatment of severe mental illness – finding the right medication as rapidly as possible.

“Step Therapy” requirements by insurance companies, also known as “Fail First,” force patients to “fail first” on cheaper and possibly less effective medications even when the prescribing practitioner has recommended other specific medications which may be more expensive – and more effective. Only when the patient fails the treatment, often for painfully long periods of time, will the carrier authorize the medicine prescribed by the expert. When a health insurer requires step therapy, it can pose serious and dangerous risks to a person taking the mental health medication, prolong their unnecessary suffering, and result in worsening symptoms and even more impaired functioning.

SB 490 exempts individuals with specific serious and significant mental health diagnoses from fail-first/step therapy protocols: individuals diagnosed with bipolar disorder, schizophrenia, major depression, post-traumatic stress disorder and related movement disorders.

Untreated or inadequately treated, serious mental health conditions can result in unnecessary disability, emergency department visits and hospitalizations, unemployment, substance abuse, homelessness, inappropriate incarceration, increased risk of suicide, and diminished quality of life.

We ask the Committee to report favorably on SB 490. If we can provide any additional information or be of any assistance, please do not hesitate to contact the Chair of MPA’s Legislative Committee, 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

SB 490 - FAV - UMMS.pdf

Uploaded by: Will Tilburg

Position: FAV

Senate Bill 490 – Maryland Medical Assistance Program – Step Therapy, Fail-First Protocols, and Prior Authorization – Prescription Drugs to Treat Serious Mental Illness

POSITION: Support

February 17, 2026

Senate Finance Committee

The University of Maryland Medical System respectfully submits this letter of support for Senate Bill 490 – Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and Prior Authorization – Prescription Drugs to Treat Serious Mental Illness. Senate Bill 490 (“SB 490”) proposes to reform utilization management practices for individuals enrolled in Medicaid with certain serious mental health conditions. Specifically, the bill would prohibit prior authorizations for a prescription drug used to treat an adult Medicaid enrollee’s diagnosis of bipolar disorder, schizophrenia, major depression, or post-traumatic stress disorder.

SB 490 would prohibit prior authorization, step therapy or fail-first protocol for a diagnosis of serious mental health conditions with the goal of reducing unnecessary delays in care. While the University of Maryland Medical System recognizes the importance of containing costs and ensuring appropriate use of health care resources, the current reliance on rigid fail-first protocols and burdensome pre-authorization processes too often limits access to effective care for our most vulnerable populations. When individuals with serious mental health conditions encounter delays, denials, or restrictions in accessing needed therapies, their conditions frequently worsen—leading to increased symptom severity, avoidable suffering, and, ultimately, higher downstream costs through more frequent hospitalizations, longer inpatient stays, and increased readmissions.

This bill is an important step in the right direction toward ensuring timely and equitable access to effective treatments, especially for Medicaid enrollees who already face disproportionate barriers to care. By streamlining utilization review and promoting appropriate clinical decision-making, SB 490 would help prevent unnecessary emergency department visits, reduce avoidable hospital utilization, and support more stable, community-based treatment outcomes.

For these reasons, the University of Maryland Medical System supports SB 490, and respectfully requests a *favorable* report on the bill.

For more information, please contact:

Will Tilburg

Vice President, Government and Regulatory Affairs

University of Maryland Medical System

William.Tilburg@umm.edu

Children's National Testimony - SB 490 - Laura Wil

Uploaded by: Austin Morris

Position: FWA



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

**Testimony of Laura Willing, MD, MEd, DFAACAP
Co-Director, Child and Adolescent Anxiety Program
Associate Program Director, Child and Adolescent Psychiatry Fellowship
Medical Director for Mental Health Policy and Advocacy, Community Mental Health CORE
Assistant Professor, Department of Psychiatry & Behavioral Sciences
Children's National Hospital**

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

Chair Beidle, Vice Chair Hayes and members of the committee, thank you for the opportunity to provide written testimony in support of Senate Bill 490 with an amendment. My name is Dr. Laura Willing, and I am a psychiatrist at Children's National 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. I am also the Medical Director for Mental Health Policy and Advocacy in our Community Mental Health CORE. The Community Mental Health CORE aims to improve access to and utilization of high-quality behavioral health services for children and families, advance racial and health equity, and promote sustainability and system-level change through research, policy, advocacy, and community engagement.¹

Children's National strongly supports SB490 with the stated purpose of preventing the Maryland Medicaid Assistance Program from applying step therapy, fail-first, and prior authorization requirements on prescription drugs to treat serious mental illnesses. The benefits of this legislation include reducing provider administrative burden, ensuring patients with serious mental illness are given the most effective treatments in accordance with the current evidence-base, and eliminating excessive delays in care while patients wait for approvals.

Children's National has seen an upsurge of children and adolescents presenting with serious mental illness, such as major depression, bipolar disorder, and psychosis. While our

¹ For more information on the Community Mental health CORE, see <https://childrensnational.org/advocacy-and-outreach/child-health-advocacy-institute/community-mental-health>.

psychiatrists are fully qualified and prepared to address the needs of these patients and recommend the best course of treatment, many times involving prescription medications, we are sometimes limited in what we can prescribe due to prior authorization and step therapy requirements.

According to a study conducted by the American Medical Association, almost 90% of physicians surveyed reported that prior authorization leads to higher overall utilization of health care resources, while 69% reported ineffective initial treatments – due to step therapy requirements.² The impact can be even more detrimental when addressing children's mental health, as it is often an under-resourced discipline and patient population. For example, I recall a family of a young person who could not pick up a much-needed prescription after being hospitalized for serious safety concerns due to mental illness. The prescription required prior authorization, and because they had not yet established care with an outpatient psychiatrist, they came to the Children's National Emergency Department for help getting the prescription filled. In addition to the detrimental impact on the patient, these types of roadblocks can lead to overutilization of hospital Emergency Departments, contributing to higher Emergency Department wait times for other patients. In fact, a recent study published in the *Journal of Health Economics and Outcomes Research* found that state Medicaid programs without restrictions like step therapy, fail-first, and prior authorization on anti-psychotic drugs to treat severe mental illness saw lower overall hospitalization rates and Emergency Department usage while also seeing significant total healthcare cost savings across inpatient, outpatient, and emergency department services.³

Children's National strongly supports SB490, but I propose a clarifying amendment to explicitly include children and adolescents in the bill text as I believe it would have a positive impact on our patients and their families while saving Maryland Medicaid money. Children and adolescents are a special population. Child psychiatrists work hard to find the best medicine for the individual child for what can be debilitating, chronic illnesses. When a young person is stable on a medication, they should not be required to try other medications in January when their insurance plan changes the formulary. This may result in extra office visits to cross-titrate medications, decompensation of their serious mental illness, and even hospitalization.

We commend the Senate Finance Committee for its inclusion of children in the step therapy provision and would urge the committee to ensure children are also included in the provision on prior authorization. As the youth mental health crisis continues to affect children and

² [Prior authorization delays care—and increases health care costs | American Medical Association](#)

³ [Open Access to Antipsychotics in State Medicaid Programs: Effect on Healthcare Resource Utilization and Costs among Patients with Serious Mental Illness](#)

their families across Maryland, it is crucial that children be afforded the same protections as adults and can access psychiatric medications in a timely manner.

I applaud Senator Lam for introducing this important legislation, which will have life-long benefits for our state's youngest residents and their families, and respectfully request a favorable report with amendment on Senate Bill 490, to ensure that children are protected across prior authorization, fail-first, and step therapy provisions equally. Thank you for the opportunity to submit testimony.

For more information, please contact:

Austin Morris, Government Affairs Manager
almorris@childrensnational.org

SB 490 - FIN - MA - LOO.docx.pdf

Uploaded by: Meghan Lynch

Position: UNF



DEPARTMENT OF HEALTH

Wes Moore, Governor · Aruna Miller, Lt. Governor · Meena Seshamani, M.D., Ph.D., Secretary

February 17, 2026

The Honorable Pamela Beidle
Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401-1991

RE: Senate Bill 490 – Maryland Medical Assistance Program – Step Therapy, Fail-First Protocols, and Prior Authorization- Prescription Drugs to Treat Serious Mental Illness – Letter of Opposition

Dear Chair Beidle and Committee Members:

The Maryland Department of Health (Department) respectfully submits this letter of opposition for Senate Bill (SB) 490 – Maryland Medical Assistance Program – Step Therapy, Fail-First Protocols, and Prior Authorization – Prescription to Treat Serious Mental Illness. SB 490 prohibits prior authorization requirements for adults (18+), fail-first protocols, or step therapy protocol for a prescription drug used to treat a participant’s diagnosis of bipolar disorder, schizophrenia, major depressive disorder, post-traumatic stress disorder, or a medication-induced movement disorder associated with the treatment of a serious mental illness.

SB 490 will result in a significant financial impact to the Department. Overall, the implementation of SB 490 would require \$367.6 million in total funds (\$183.8 million federal funds, \$183.8 million State general funds) if implemented over the next three fiscal years, amounting to \$120.1 million or more annually (\$60.1 million federal funds, \$60.1 million State general funds). This includes a 10% increase in costs from FY 2025 to FY 2026, to account for recent growth in spending on the prescription drugs included in SB 490.

The Department anticipates the prohibition of prior authorization, step therapy, or fail-first protocol would lead to a shift in the utilization of medications within these four classes leading to the significant increase in costs described above. Costs will be driven by a shift from generic to brand name drugs, or from brand name drugs with a higher net cost. The Department also anticipates a decrease in revenue from supplemental rebates as manufacturers will no longer have the incentive to offer supplemental rebates to have their brand-name drugs included on the preferred drug list (PDL). States use PDL placement as leverage to negotiate extra (supplemental) rebates from drug manufacturers. If a manufacturer can have its drug covered without needing to be on the PDL, it no longer needs to negotiate with the state, and therefore has little incentive to offer additional rebates. Removing the prior authorization requirements would also pose operational challenges to Medicaid, as prescriptions do not include diagnosis information, a given drug cannot be authorized for only certain conditions. Therefore,

Medicaid would have to authorize the prescription whenever these classes of drugs are prescribed, leading to an increase in the number of prescriptions being filled, and in the cost to Medicaid.

The Department further notes that the Substance Use Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act¹ (Public Law 115-271) passed in 2018 requires states to implement claims review processes for individuals prescribed opioids and antipsychotics to ensure clinical safety. Prior authorization is an important tool in ensuring the clinical appropriateness of the drug being prescribed.

In addition, the Department has existing policies to facilitate access to these critical medications used to treat the conditions addressed in SB 490 and to ensure continuity of care when urgent circumstances arise. Under the Code of Maryland Regulations (COMAR), the Department permits a 30-day emergency supply of atypical antipsychotic drugs not on the PDL, preventing gaps in treatment while prior authorization is pending.² In addition, the Department has a grandfather policy³ that allows individuals who were prescribed these medications prior to enrolling in Maryland Medicaid to receive continued access during the prior authorization process, ensuring there is no interruption in coverage.

If you would like to discuss this further, please do not hesitate to contact Meghan Lynch, Director of Government Affairs at meghan.lynch@maryland.gov.

Sincerely,



Meena Seshamani, M.D., Ph.D.
Secretary

¹ <https://www.govinfo.gov/content/pkg/PLAW-115publ271/pdf/PLAW-115publ271.pdf>

² <https://dsd.maryland.gov/regulations/Pages/10.09.03.06.aspx>

³

<https://health.maryland.gov/mmcp/pap/docs/Antipsychotic%20Review%20Programs/Tier%20%20%20and%20%20NPD%20Clinical%20Criteria.pdf>

MMCOA Comments on SB490 - Step Therapy, First Fail

Uploaded by: Joseph Winn

Position: INFO



Senate Bill 490 - Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription Drugs to Treat Serious Mental Illness

UNFAVORABLE
Senate Finance Committee
February 17, 2026

Thank you for the opportunity to submit this testimony for Senate Bill 490 - Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription Drugs to Treat Serious Mental Illness. The Maryland Managed Care Organization Association (MMCOA), which is comprised of all nine MCOs that serve Medicaid, is committed to ensuring access to the prescription drugs and therapies that our members depend on for their health and wellbeing.

SB490 would remove an important set of managed care tools by prohibiting the utilization of prior authorization, step therapy, and fail-first protocols for the prescription of certain medications, including those used to treat schizophrenia, major depression, post-traumatic stress disorder or medication induced movement disorder associated with the treatment of serious mental illness.

Utilization management of prescription drugs is an important managed care function. These tools help determine the therapeutic appropriateness of a drug, monitor for over utilization, possible therapeutic duplications, drug contraindications, drug interactions, and clinically appropriate dosing. SB490 would significantly limit MCOs' ability to identify and address potential problems with the use of these drugs, which could lead to increased costs and adverse health outcomes for enrollees.

The bill would create a one-size-fits-all approach to the management of certain prescription drugs, which would limit MCOs' ability to tailor their programs to the unique needs of their members, including those with substance use disorders, mental illness, or other conditions that affect the prescribing and use of certain prescription drugs.

For these reasons we respectfully request an unfavorable report on Senate Bill 490.

Please contact Joe Winn, Executive Director of MMCOA, with any questions regarding this testimony at jwinn@marylandmco.org.

SB490_MMCOA_UPDATED_INFO

Uploaded by: Joseph Winn

Position: INFO



Senate Bill 490 - Maryland Medical Assistance Program - Step Therapy, Fail-First Protocols, and Prior Authorization - Prescription Drugs to Treat Serious Mental Illness

**Letter of Information
Senate Finance Committee
February 17, 2026**

The Maryland Managed Care Organization Association (MMCOA) appreciates the opportunity to submit this letter for the purpose of clarifying our position on Senate Bill 490. MMCOA previously submitted comments requesting an unfavorable report on the bill. Upon further review, the bill does not apply to Medicaid Managed Care Organizations. Accordingly, MMCOA is not taking a position on SB 490.

Please contact Joe Winn, Executive Director of MMCOA, with any questions regarding this testimony at jwinn@marylandmco.org.