



DEPARTMENT OF HEALTH

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

February 10, 2026

The Honorable Heather Bagnall
Chair, House Health Committee
241 House Office Building
Annapolis, MD 21401-1991

RE: House Bill 71 – Maryland Medical Assistance Program – Psychiatric Rehabilitation Program Services – Reimbursement (Youth Psychiatric Rehabilitation Parity Act of 2026) – Letter of Opposition

Dear Chair Bagnall and Committee Members:

The Maryland Department of Health (the Department) respectfully submits this letter of opposition for House Bill (HB) 71 – *Maryland Medical Assistance Program – Psychiatric Rehabilitation Program Services – Reimbursement (Youth Psychiatric Rehabilitation Parity Act of 2026)*. The Department estimates that this legislation would result in an annual fiscal impact of \$74.7 million total funds (TF), with \$44.8 million in federal funds (FF) and \$29.9 million state general funds (GF).

Effective July 1, 2026, HB 71 would require the Department to reimburse psychiatric rehabilitation programs (PRPs) for a minimum of six and maximum of thirty community psychiatric support services per month for certain individuals enrolled in the Maryland Medical Assistance Program (Medicaid).

PRPs provide community-based psychiatric rehabilitation services to support recovery by assisting individuals in developing skills and accessing resources necessary to participate fully in their communities. PRP services are billed on a monthly basis, wherein providers submit one claim per individual per month. Reimbursement rates vary based on the individual's residential setting and the number of PRP encounters delivered during the month. Currently, a minimum of two encounters is required to bill for PRP (the fee is \$386.32), and there is no maximum on the amount of encounters. As the number of encounters increase, the monthly reimbursement rate correspondingly increases, as reflected in the FY 2026 [PRP Billing Cascade](#).

Increasing the minimum number of encounters required to bill for PRP services from two to six would significantly increase expenditures. The Department conservatively estimates that HB 71 will cost \$74.7 million in TF annually. Over the FY2027 through FY2031 period, cumulative costs are projected to total \$373.5 million, with \$244.1 million coming from federal funds and \$149.4 million in State general funds.

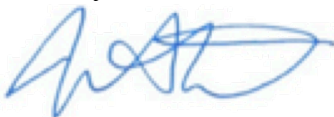
Additionally, imposing a statutory maximum of thirty encounters per month would also violate longstanding federal laws. The Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) provision within federal Medicaid (42 USC § 1396d(r), 42 CFR 441.50 et seq.) entitles beneficiaries up to age 21 to Medicaid coverage of all medically necessary services to correct or ameliorate defects and physical and mental illnesses and conditions without hard caps or limits. States may only place soft limitations for the purposes of utilization control or to ensure services are medically necessary. A fixed statutory maximum on PRP services would be inconsistent with these federal requirements. Further, Medicaid is prohibited from reimbursing for services that are not medically necessary, and a mandated minimum number of encounters may result in reimbursement for services that are not clinically indicated in all cases.

This statutory treatment limitation would make the Department in violation of the Mental Health Parity and Addiction Equity Act, which prohibits insurers, including the State, from imposing stricter limitations on behavioral health benefits than on medical or surgical benefits. Imposing a hard limit on PRP services would be a more stringent limitation than those placed on somatic services, and would be a clear parity violation.

Although the bill is subtitled “youth psychiatric rehabilitation parity act,” the language as it is written suggests it would apply to adults under guardianship, expanding the scope further. Finally, the bill does not define “severely impaired,” making it difficult to ascertain which individuals may be subject to the minimum and maximum PRP service requirements.

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 or (410) 260-3190.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Meena Seshamani', with a stylized flourish at the end.

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