

MARYLAND PSYCHIATRIC SOCIETY



March 12, 2025

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The Honorable Heather Bagnall
Health Committee
241 Taylor House Office Building
Annapolis, Maryland 21401

Support: House Bill 280: Health Insurance - Mental Health and Substance Use Disorders - Codification of Federal Requirements

Dear Chairwoman Bagnall & Members of the Committee:

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

MPS and WPS strongly support HB280 which would integrate current federal parity requirements into Maryland law. While current Maryland laws require parity of mental health/substance abuse treatment with that of medical/surgical conditions, they do not go as far as current federal requirements in specifying an effective enforcement structure. These requirements direct special scrutiny to *non-quantitative limitations*, such as prior authorization, medical necessity standards, and network design. By incorporating federal requirements, the bills would compel insurance companies to perform analyses comparing outcomes of mental health and medical/surgical patients, explain and current any disparities, and be transparent about the origin and validity of non-quantitative treatment limitations applied to mental health/substance abuse patients. Within this framework, the Maryland Insurance Commission would be more effectively empowered to undertake regulatory actions.

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

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

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

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

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

For these reasons, MPS & WPS strongly support HB280. If you have any questions regarding this testimony, please contact MPS lobbyist, Lisa Harris Jones at lisa.jones@mdlobbyist.com.

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

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

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