

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

Finance Committee

January 28, 2026

Position: FAVORABLE

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

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

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

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

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

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

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

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

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

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