

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

House Bill 746
 Health

(Delegate Bagnall, *et al.*)

Finance

Maryland Medical Assistance Program and Health Insurance - Collaborative
 Care Model - Cost Sharing Prohibition and Coverage Requirements

This bill prohibits the Maryland Department of Health (MDH) from imposing a copayment, coinsurance, or deductible requirement on coverage for services provided in accordance with the Collaborative Care Model (CoCM). Certain insurers, nonprofit health service plans, and health maintenance organizations (collectively carriers) must provide coverage for services in accordance with the CoCM. By December 1, 2026, the Maryland Health Care Commission (MHCC) must conduct a study on the impact of eliminating health insurance cost sharing for CoCM services and report its findings and recommendations to specified committees of the General Assembly. **The bill’s provisions regarding MDH and MHCC take effect July 1, 2026; insurance provisions take effect January 1, 2027, and apply to all policies, contracts, and health benefits plans issued, delivered, or renewed in the State on or after that date.**

Fiscal Summary

State Effect: Minimal increase in special fund revenues for the Maryland Insurance Administration (MIA) in FY 2027 only from the \$125 rate and form filing fee; review of filings can be handled with existing budgeted resources. MHCC can conduct the required study using existing budgeted resources. No impact on Medicaid or the State Employee and Retiree Health and Welfare Benefits Program (State plan), as discussed below.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: CoCM is an established evidence-based, patient-centered care model used to improve behavioral health in primary care settings. CoCM uses a team-based approach to integrate and increase the effectiveness of mental health and substance use disorder (SUD) treatment while reducing stigma around these conditions. CoCM is covered by some private insurance plans and commercial payers, as well as Medicaid and Medicare.

Under Maryland law governing the Medicaid program, “Collaborative Care Model” means an evidence-based approach for integrating somatic and behavioral health services in primary care settings that includes (1) care coordination and management; (2) regular, proactive outcome monitoring and treatment for outcome targets using standardized outcome measurement rating scales and electronic tools; and (3) regular systematic psychiatric and SUD caseload reviews and consultation with specified providers.

Chapters 683 and 684 of 2018 established a Collaborative Care Pilot Program to implement CoCM in primary care settings for HealthChoice Medicaid recipients. For fiscal 2020 through 2023, the Governor was required to appropriate \$550,000 annually for the pilot program. Chapters 284 and 285 of 2023 repealed the pilot program and required MDH to provide reimbursement for services provided in accordance with CoCM statewide in primary care settings that provide health care services to Medicaid recipients.

State Medicaid programs may impose minimal copayments for certain services and populations. In Maryland, copayments are applied only to pharmacy services (\$1 for generic/preferred drugs and \$3 for brand-name/nonpreferred drugs). Copayments are waived for family planning services and supplies, individuals younger than age 21, pregnant women, individuals who are inpatients in long-term care facilities, and emergency services. Pharmacy services cannot be denied to an individual because of the individual’s inability to pay the copayment.

State Expenditures:

Medicaid

As there is currently no cost sharing for Medicaid CoCM services, there is no fiscal impact on Medicaid revenues or expenditures at this time.

MDH advises that the federal One Big Beautiful Bill Act of 2025 requires states to impose cost sharing on certain services provided to adults in the Patient Protection and Affordable Care Act (ACA) expansion group. Beginning October 1, 2028, states must impose cost sharing on ACA adults that cannot exceed \$35 for any care, item, or service. Aggregate out-of-pocket costs for a family cannot exceed 5% of the family’s income. While Maryland

may have discretion in determining which services will require cost sharing, future federal guidance may require that ACA expansion adults pay cost sharing for CoCM services.

State Employee and Retiree Health and Welfare Benefits Program

The State plan is largely self-insured for its medical contracts and, as such, except for the one fully insured integrated health model medical plan (Kaiser), is not subject to this bill. However, the program generally provides coverage for health insurance benefits as prescribed under Maryland law.

The Department of Budget and Management advises that it currently reimburses for CoCM services, with more than 1,100 patient encounters covered in each of plan years 2024 and 2025.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 428 (Senator Augustine) - Finance.

Information Source(s): Department of Budget and Management; Maryland Department of Health; Maryland Insurance Administration; Department of Legislative Services

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