

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 886 (Delegates Hornberger and Lopez)
 Health

Certified Peer Recovery Specialists - Coverage Under the Maryland Medical Assistance Program and Health Insurance and Workgroup on Certification

This bill requires certain insurers, nonprofit health service plans, and health maintenance organizations (collectively carriers), as well as Medicaid, to provide coverage for services provided in any setting by a certified peer recovery specialist (CPRS). The Maryland Department of Health (MDH) must convene a workgroup regarding the CPRS certification process and report to specified committees of the General Assembly. **The workgroup takes effect July 1, 2026; coverage provisions take effect January 1, 2027, and apply to all policies, contracts, and health benefit 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; any additional MIA workload can be absorbed with existing resources. Medicaid expenditures increase by up to \$8.9 million in FY 2027, and up to \$17.8 million annually thereafter (60% federal funds, 40% general funds). Federal fund revenues increase accordingly. State Employee and Retiree Health and Welfare Benefits Program expenditures increase by a significant amount beginning in FY 2027, as discussed below.

(\$ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
SF Revenue	-	\$0	\$0	\$0	\$0
FF Revenue	\$5.3	\$10.7	\$10.7	\$10.7	\$10.7
GF/FF Exp.	\$8.9	\$17.8	\$17.8	\$17.8	\$17.8
GF/SF/FF Exp.	-	-	-	-	-
Net Effect	(\$3.6)	(\$7.1)	(\$7.1)	(\$7.1)	(\$7.1)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: To the extent the bill increases the cost of health insurance premiums, expenditures may increase for local jurisdictions that purchase fully insured plans. Revenues are not affected.

Small Business Effect: None.

Analysis

Bill Summary:

Coverage for Services Provided by Certified Peer Recovery Specialists

Certain carriers and Medicaid (including managed care organizations) must provide coverage for services provided in any setting by a CPRS certified by the Maryland Addiction and Behavioral Health Professionals Certification Board (MABHPCB) or a successor entity. Coverage must begin January 1, 2027.

Workgroup on Certification of Peer Recovery Specialists

MDH must convene a workgroup with MABHPCB and interested stakeholders to identify ways to make the process of certifying peer recovery specialists more efficient, including through reciprocity. MDH must report to the Senate Finance Committee and the House Health Committee on its findings and whether legislation is needed.

Current Law: Peer recovery specialists provide direct peer-to-peer support services to individuals with mental health, substance use, or co-occurring disorders. Peer recovery specialists are certified through MDH's Behavioral Health Administration (BHA), in conjunction with MABHPCB.

2018 Workgroup on Reimbursement of Certified Peer Recovery Specialists

Chapters 323 and 324 of 2018 required the Secretary of Health to convene a stakeholder workgroup to make findings and recommendations on issues related to the reimbursement of CPRSs, including whether statutory or regulatory changes or a Medicaid State Plan Amendment were required. A [report](#) on the workgroup's findings and recommendations was submitted in November 2018.

Medicaid Coverage of Peer Recovery Specialists

Maryland Medicaid implemented coverage for CPRS services for individuals receiving substance use disorder (SUD) treatment on June 1, 2023. Services are provided as

individual and/or group services and are generally limited to licensed or approved community-based settings, including Outpatient Level 1, Intensive Outpatient Program Level 2.1, Partial Hospitalization Program Level 2.5, opioid treatment programs, and federally qualified health centers. In fiscal 2025, MDH estimates that 6,128 Medicaid participants with SUD diagnoses (7.8% of the total SUD Medicaid population) received CPRS services. Total Medicaid expenditures for these services were approximately \$1.0 million.

Mandated Health Insurance Benefits

Under Maryland law, there are more than 50 mandated health insurance benefits that certain carriers must provide to their enrollees, including mental health and substance use treatment. The federal Patient Protection and Affordable Care Act (ACA) requires nongrandfathered health plans to cover 10 essential health benefits (EHBs), which include mental health and substance use disorder services, including behavioral health treatment.

Under § 31-116 of the Maryland Insurance Article, EHBs must be included in the State benchmark plan and, notwithstanding any other benefits mandated by State law, must be the benefits required in (1) all individual health benefit plans and health benefit plans offered to small employers (except for grandfathered health plans) offered outside the Maryland Health Benefit Exchange (MHBE) and (2) all qualified health plans offered in MHBE.

For additional information on mandated health insurance benefits in Maryland, please see the **Appendix – Mandated Health Insurance Benefits**.

State Fiscal Effect:

Medicaid

As the bill mandates coverage for services provided by CPRSs in any setting, Medicaid must expand the settings in which CPRS services are delivered (currently limited to SUD settings) and extend eligibility for such services to include individuals with mental health (MH) diagnoses (currently limited to those with SUD diagnoses).

MDH anticipates substantial growth in utilization of CPRS services under the bill. MDH assumes that approximately 141 CPRSs would be available to serve newly eligible Medicaid participants with MH diagnoses and in the expanded SUD settings. MDH estimates that as many as 44,650 additional Medicaid participants could receive CPRS services under the bill. Based on current billing patterns and rates, this could increase total billing for CPRS services by up to \$17.8 million annually (60% federal funds, 40% general funds).

Therefore, Medicaid expenditures increase by up to \$8.9 million (60% federal funds, 40% general funds) in fiscal 2027, to reflect the bill's January 1, 2027 effective date for coverage. Federal fund revenues increase accordingly. Future year expenditures increase by up to \$17.8 million annually (60% federal funds, 40% general funds).

To the extent fewer CPRSs are available to serve the Medicaid population, fewer Medicaid participants receive CPRS services and expenditures are reduced accordingly, potentially significantly.

This estimate reflects the fiscal impact of additional service utilization only. Additional expenditures are required for staffing and administrative costs to accommodate the expansion of services and are not reflected in this analysis.

Maryland Department of Health

MDH, in collaboration with MABHPCB and other interested stakeholders, must convene a workgroup to evaluate and propose improvements to the CPRS certification process. MDH advises that BHA requires one full-time permanent administrator to manage the workgroup and write the required report at a cost of \$106,279 in fiscal 2027 (100% general funds). Although the bill does not specify a due date for the report or a termination date for the workgroup, this analysis assumes that the workgroup is short term and can thus be handled by existing staff or by additional staff hired to assist with the expansion of services noted but not quantified above.

State Employee and Retiree Health and Welfare Benefits Program

The State Employee and Retiree Health and Welfare Benefits Program is largely self-insured for its medical contracts and, as such, with the exception of the one fully insured integrated health model medical plan (Kaiser), is not subject to this mandate. However, the program generally provides coverage for mandated health insurance benefits.

The Department of Budget and Management (DBM) advises that the program does not currently reimburse for services provided by CPRSs, rather that such services are typically covered by grants to behavioral health providers. Thus, based on plan year 2025 claims data, DBM estimates that program expenditures (general, special, and federal) could increase by an estimated \$500,000 in fiscal 2027 to reflect the mandate's January 1, 2027 effective date, and \$1.0 million annually thereafter to provide reimbursement for CPRS services.

Additional Comments: MIA advises that the bill does not apply to the nongrandfathered individual and small employer markets. Should the bill be amended to apply to all markets, the State would be required to defray the cost of the new mandate to the extent it applies to the individual and small group ACA plans.

Additional Information

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

Designated Cross File: None.

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

Fiscal Note History: First Reader - February 18, 2026
me/ljm

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Appendix – Mandated Health Insurance Benefits

Overview

Fully insured, large group plans and certain individual plans must cover Maryland's mandated health insurance benefits. These mandates do not apply to most individual or small group plans, public health insurance, or plans issued outside of Maryland. However, individual and small group plans and plans sold through the Maryland Health Benefit Exchange (MHBE) must cover federal essential health benefits (EHBs). Thus, the type of plan an individual is enrolled in generally determines which benefits must be provided.

Most Marylanders Are Insured by Employment-based Coverage

Maryland residents generally obtain health insurance from one of three sources: (1) employment-based coverage; (2) private coverage in the individual market; or (3) public health insurance provided by the State and/or federal government (*i.e.*, Medicaid, the Maryland Children's Health Program (MCHP), Medicare, and military-related coverage). In calendar 2023 (the most recent data available), more than one-half (53.9%) of the State's population had employment-based coverage, more than one-third (34.1%) were covered by public health insurance programs, and 5.7% purchased coverage in the individual market. The remaining 6.5% of Marylanders were uninsured.

State Regulation of Insurance Applies Only to Certain Plans

Employment-based coverage is either fully insured or self-insured. A fully insured plan is a traditional model for health insurance under which an employer pays a fixed premium to an insurer and the insurer assumes all financial risk and responsibility for paying claims. Fully insured plans are most common among small to mid-sized businesses as they offer more predictable costs and less administrative burden. In a self-insured plan, the employer assumes all financial risk and pays claims directly, usually through a third-party administrator. Self-insured plans are more common among larger employers with the resources to assume the financial risk.

The federal Employee Retirement Income Security Act preempts states' ability to require private employers to offer health insurance coverage and exempts self-insured plans from state insurance regulation. As a result, only fully insured plans are regulated by state insurance regulators. Thus, in Maryland, self-insured plans are not regulated by the Maryland Insurance Administration (MIA) and are not subject to Maryland law.

In calendar 2024, 2.58 million Maryland residents younger than age 65 were insured through commercial health benefit plans, of which 890,245 were covered by a fully insured plan and 1.69 million were covered by a self-insured plan. Thus, only about one-third (34.5%) of those covered through commercial plans were in fully insured plans subject to State regulation. Overall, only 17.4% of the State’s nonelderly population was covered by a plan subject to State regulation.

Mandated Benefits Apply Only to Large Group and Grandfathered Plans

Maryland law requires insurers, health maintenance organizations, and nonprofit health service plans to cover more than 50 specific benefits. These “mandated benefits” apply to expense-incurred contracts that provide “hospital, medical, and surgical benefits,” which include non-major medical products and federally excepted benefits (benefits outside of primary medical coverage that are not subject to certain federal requirements). These include fully insured, large group plans (≥ 50 employees), individual grandfathered plans in effect on or before March 23, 2010, when the federal Patient Protection and Affordable Care Act (ACA) was enacted, and limited or specialty plans such as fixed-indemnity plans. Maryland’s State Employee and Retiree Health and Welfare Benefits Program is predominately self-insured and thus largely exempt from mandated benefits. However, the program generally provides coverage for these benefits as otherwise required under State law.

Mandated benefits *could* apply to individual and small group policies. However, if the benefits go beyond those in the State benchmark plan (a reference plan that defines the minimum benefits that must be offered in the individual and small group markets in Maryland), the State must cover the cost. Thus, mandated benefits are not typically applied to those policies.

Mandated benefits do not apply to Medicaid/MCHP, Medicare, the Federal Employees Health Benefits Program, or military/Veterans Administration coverage. Mandated benefits also do not apply to health benefit plans issued outside of Maryland – such as when a Maryland resident works for an employer based in another state and the plan is issued in that state. In that instance, the plan is subject to the requirements (and mandated benefits) of the state in which it is issued.

Exhibit 1 summarizes mandated benefits for large group and grandfathered plans. For further specifics on mandated benefits, see Title 15, Subtitle 8 of the Insurance Article.

Exhibit 1
Maryland's Mandated Health Insurance Benefits for
Large Group and Grandfathered Plans

- Amino-acid elemental formula
- Anesthesia for dental care
- Biomarker testing
- Blood products
- Breast cancer screening
- Breast prosthesis following a mastectomy
- Child well visits and immunizations
- Chlamydia screening
- Cleft lip/palate treatment/management
- Clinical trials
- Colorectal cancer screening
- Contraceptive drugs or devices
- Diabetic equipment or supplies
- Emergency room services
- Fertility awareness-based methods
- Fertility preservation due to medical treatment that may cause infertility
- Gynecological care
- Habilitative services
- Hair prosthesis following cancer
- Hearing aids
- Home health care
- Human papilloma virus screening
- Infertility benefits (including IVF)
- Inpatient hospital services
- Laboratory services
- Lung cancer screening
- Lymphedema diagnosis, evaluation, and treatment
- Male sterilization
- Mastectomies
- Medical foods
- Mental health and substance use treatment
- Morbid obesity surgical treatment
- Osteoporosis prevention and treatment
- Ostomy equipment and supplies
- Physician services
- Pregnancy and maternity benefits
- Prescription benefits
- Preventive services
- Prosthetic devices
- Prostate cancer screening
- Reconstructive breast surgery
- Referrals to specialists
- Second opinions and coverage of outpatient services
- Smoking cessation
- Surgical removal of testicles
- Temporo-Mandibular Joint Syndrome treatment
- X-rays

IVF: in vitro fertilization

Note: Mandated benefits as of January 2025. Coverage of calcium score testing is required beginning January 1, 2026.

Source: Maryland Insurance Administration; Department of Legislative Services

Application of Mandated Benefits in Practice

Legislation is frequently introduced to add new mandated benefits. For example, Senate Bill 518 of 2025 would have required coverage for preventive screenings for ovarian cancer for individuals aged 45 and older. The bill would have applied only to commercial health insurance, specifically fully insured large group plans and individual grandfathered plans. Coverage would not have applied to self-insured plans, nongrandfathered individual or small group plans, plans issued in another state to a Maryland resident, or any public health insurance program (in the same way that current mandated benefits do not apply to these plans).

Essential Health Benefits Apply to Individual and Small Group Plans

The ACA requires nongrandfathered health plans to cover 10 EHBs, which include items and services in the following categories: (1) ambulatory patient services; (2) emergency services; (3) hospitalization; (4) maternity and newborn care; (5) mental health and substance use disorder services; (6) prescription drugs; (7) rehabilitative and habilitative services and devices; (8) laboratory services; (9) preventive and wellness services and chronic disease management; and (10) pediatric services.

Maryland law requires that EHBs be included in the State benchmark plan and in all qualified health plans offered through MHBE. **Exhibit 2** summarizes the EHBs required as of September 2025. For further specifics, see MIA's [*Essential Health Benefits Chart: Individual and Small Group Plans*](#).

Exhibit 2
Essential Health Benefits for Individual and Small Group Plans

- Allergy serum
- Ambulance service
- Bariatric surgery
- Blood and blood products
- Breast reconstructive surgery/prosthesis
- Cardiac rehabilitation
- Care in office for illness or injury
- Case management
- Chiropractic services
- Controlled clinical trials
- Diabetic treatment/equipment/supplies
- Durable medical equipment
- Emergency services
- Family planning services
- General anesthesia/associated care for dental care for children
- Habilitative services
- Hair prosthesis following cancer
- Hearing aids
- Home health care
- Hospice
- Infertility services (excludes IVF)
- Inpatient hospital services
- Medical food
- Mental health and substance use benefits
- Nutritional services
- Outpatient hospital services
- Outpatient laboratory/diagnostic services
- Outpatient short-term rehabilitation
- Patient centered medical homes
- Pediatric dental
- Pediatric vision
- Pregnancy and maternity
- Prescription drugs
- Preventive services
- Prostate cancer screening
- Pulmonary rehabilitation
- Skilled nursing facility
- Transplants
- Wellness benefits

IVF: in vitro fertilization

Note: Essential health benefits as of September 2025.

Source: Maryland Insurance Administration; Department of Legislative Services
