Department of Legislative Services

Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 276 (Senator Beidle, *et al.*)

Finance Health

Maryland Medical Assistance Program and Health Insurance - Coverage for Orthoses and Prostheses (So Every Body Can Move Act)

This bill alters the current mandated benefit for coverage of orthopedic braces to be coverage for orthoses and replacement of orthoses and clarifies mandated coverage for prostheses. Beginning January 1, 2027, Medicaid must provide coverage for orthoses, as specified. Each insurer, nonprofit health service plan, and health maintenance organization (collectively known as carriers) and Medicaid managed care organization (MCO) must submit a compliance report by June 30, 2032, which must be aggregated and reported to specified committees of the General Assembly by December 31, 2032. **The bill takes effect January 1, 2027, and applies 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 special fund revenue increase for the Maryland Insurance Administration (MIA) in FY 2027 only from the $125 rate and form filing fee; any additional workload for MIA can be handled with existing budgeted resources. As the bill essentially codifies current coverage, there is no impact on the Maryland Medicaid program, as discussed below. No meaningful impact on the State Employee and Retiree Health and Welfare Benefits Program, as discussed below.

Local Effect: To the extent health insurance costs increase as a result of the bill, health care expenditures for local governments that purchase fully insured health benefit plans may increase. Revenues are not affected.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary:

Coverage of Orthoses

Definitions: The term "orthopedic brace" is replaced with "orthosis," which means a rigid or semi-rigid device used to support a weak or misaligned body member or restrict or eliminate motion, improve function, or relieve symptoms of a disease, injury, or post-operative condition in a part of the body. "Orthosis" includes a custom-designed, -fabricated, -molded, -fitted, or modified device to treat a neuromuscular, musculoskeletal, acquired, or congenital condition.

Medical Necessity: Covered benefits include all orthoses determined by a treating health care provider to be medically necessary for completing activities of daily living, essential job-related activities, or performing physical activities to maximize the whole-body health and lower or upper limb function of the insured or enrollee. A carrier may not establish requirements for medical necessity or appropriateness that are more restrictive than those established under the Medicare Coverage Database.

Coverage Requirements: A carrier must provide – once annually – coverage for orthoses, components of orthoses, repairs to orthoses, and replacements of orthoses or orthosis components.

Limitations: Coverage for orthoses may not be subject to a higher copayment or coinsurance requirement than for other similar medical and surgical benefits under the policy or contract. A carrier may not impose an annual or lifetime dollar maximum on coverage separate from any annual or lifetime maximum that applies in aggregate to all covered benefits.

Replacement of Orthoses or Orthosis Components: Coverage for replacements of orthoses must be provided without regard to continuous use or useful lifetime restrictions if an ordering health care provider determines that the provision of a replacement orthosis (or a component) is necessary (1) because of a change in the physiological condition of the patient or (2) unless necessitated by misuse, because of an irreparable change in the condition of the orthosis or a component. A carrier may require an ordering health care provider to confirm that the orthosis or component being replaced meets these requirements if the orthosis or component is less than one year old.

Provider Network: A carrier that uses a provider panel for the provision of benefits for orthoses must comply with existing requirements governing provider panels. Specifically, a carrier must (1) ensure that all enrollees, including adults and children, have access to

providers and covered services without unreasonable travel or delay and (2) include standards that ensure access to providers, including essential community providers, that serve predominantly low-income and medically underserved individuals or include alternative standards for addressing the needs of low-income, medically underserved individuals.

Coverage of Prostheses

The bill clarifies that the current mandated benefit for prostheses includes *all* prostheses determined by a treating health care provider to be medically necessary for completing activities of daily living, essential job-related activities, or performing physical activities to maximize the whole-body health and lower or upper limb function of the insured or enrollee.

Medicaid Coverage of Orthoses

Beginning January 1, 2027, Medicaid must provide coverage for orthoses in accordance with the same requirements applicable to carriers.

Uncodified language expresses the intent of the General Assembly that the bill may not be construed to require Medicaid MCOs to cover additional Healthcare Common Procedure Coding System "L" codes for orthotic procedures and devices than are covered by MCOs as of December 31, 2026.

Compliance Reporting Requirement

By June 30, 2032, each carrier and Medicaid MCO must report to MIA and the Maryland Department of Health (MDH) on its compliance with the bill for calendar 2027 through 2030. The report must be in a form jointly prescribed by MIA and MDH and include the number of claims and the total amount of claims paid in the State for coverage of orthoses. MIA and MDH must aggregate the data by calendar year in a joint report. By December 31, 2032, MIA and MDH must submit a joint report to the Senate Finance Committee and the House Health and Government Operations Committee (now the House Health Committee).

Current Law: The federal Patient Protection and Affordable Care Act requires nongrandfathered health plans to cover 10 essential health benefits (EHBs), which include rehabilitative and habilitative services and devices. Under § 31-116 of the Maryland Insurance Article, EHBs must be included in the State benchmark plan and, not withstanding 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.

Under Maryland law, there are more than 50 mandated health insurance benefits that certain carriers must provide. Each health insurance contract delivered or issued in the State by a nonprofit health service plan must provide benefits for orthopedic braces.

Per Chapters 822 and 823 of 2024, effective January 1, 2025, carriers must provide coverage for prostheses determined by a treating health care provider to be medically necessary for completing activities of daily living, essential job-related activities, or performing physical activities to maximize the whole-body health and lower or upper limb function of the insured or enrollee, as well as specified replacement for prostheses. Coverage may not be subject to a higher copayment or coinsurance requirement than for other similar medical and surgical benefits. A carrier that uses a provider panel for a policy or contract and the provision of benefits for prostheses must (1) ensure that all enrollees have access to providers and covered services without unreasonable travel or delay and (2) include standards that ensure access to providers, including essential community providers, that serve predominantly low-income and medically underserved individuals or include alternative standards for addressing the needs of low-income, medically underserved individuals. Medicaid must provide coverage for prostheses in accordance with the same requirements applicable to carriers.

Chapters 822 and 823 also required the Maryland Health Care Commission (MHCC) and MDH to review utilization of specified codes, evaluate the cost impact of requiring coverage for orthoses, and report to specified committees of the General Assembly by December 1, 2024. The report estimated that expanding coverage of orthoses for whole-body health would cost at least $2.9 million in total funds annually for Medicaid and $3.2 million annually for commercial payers. In January 2026, MHCC revised its estimate for commercial payers using a narrower set of "L" codes. The estimate to expand orthoses coverage to include whole-body health for the commercial market was reduced to $1.45 million annually or $0.11 per member per month (PMPM) – equivalent to a premium increase of about 0.07%, or $0.13 PMPM.

State Fiscal Effect:

Medicaid

Following completion of the report required under Chapters 822 and 823, MDH engaged with stakeholders and clinicians to identify a list of 132 "L" codes for custom orthoses used in physical activities to maintain whole-body health. Effective January 1, 2026, MDH updated its Disposable Medical Supplies/Durable Medical Equipment Prostheses and Orthoses Fee Schedule to reflect expanded coverage of both orthotic and prosthetic

"L" codes for the purposes of whole-body health and limb function. As the bill essentially codifies the coverage now provided by Medicaid, there is no fiscal impact on the program.

State Employee and Retiree Health and Welfare Benefits Program

The Department of Budget and Management has previously advised that the State Employee and Retiree Health and Welfare Benefits Program provides coverage for orthoses and that the bill would have a negligible impact on the program.

Small Business Effect: Small business health care providers that provide orthoses and related services may receive additional business under the bill.

Additional Comments: According to the National So Every BODY Can Move coalition, three states currently have activity-specific orthoses coverage requirements (Illinois, Minnesota, and New Mexico). The average increased utilization reported in those states as a result of those mandates has been approximately 5%. According to annual rate reviews submitted by five New Mexico carriers in the individual and small group market, mandated coverage for prosthetics and custom orthotics (implemented in January 2024) had no impact on health insurance rate increases.

The bill's insurance provisions do not apply to the nongrandfathered individual and small employer markets.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See SB 406 and HB 383 of 2025 and SB 614 and HB 865 of 2024 (which were enacted to provide coverage for prostheses).

Designated Cross File: HB 445 (Delegate Martinez, *et al.*) - Health.

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

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