

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 428
Finance

(Senator Augustine)

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

This bill prohibits the Maryland Department of Health (MDH), as well as insurers, nonprofit health service plans, and health maintenance organizations (collectively carriers) from imposing a copayment, coinsurance, or deductible requirement on coverage for services provided in accordance with the Collaborative Care Model (CoCM). A carrier may subject CoCM services to the deductible requirement for a high-deductible health plan. **The bill's MDH provision takes 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. No impact on Medicaid, as discussed below. Expenditures for the State Employee and Retiree Health and Welfare Benefits Program (State plan) increase by a minimal amount beginning in FY 2027, 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 federal legislation (H.R. 1, the One Big Beautiful Bill Act) 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 (DBM) advises that it currently reimburses for CoCM services, with more than 1,100 patient encounters covered in each of plan years 2024 and 2025. Members paid \$16,572 and \$17,548 out-of-pocket for these services in 2024 and 2025, respectively. Thus, State plan expenditures (general, special, and federal funds) increase by at least this amount on an annual basis to cover CoCM services without cost sharing.

DBM notes that CoCM adoption is relatively recent. As the model grows and medical coding of claims improves, the number of patient encounters and the financial impact on the State plan will expand accordingly. Thus, the impact on the State plan in future years depends on the development and overall adoption of CoCM.

Additional Information

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

Designated Cross File: HB 746 (Delegate Bagnall) - Health.

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

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jg/ljm

Analysis by: Jennifer B. Chasse

Direct Inquiries to:
(410) 946-5510
(301) 970-5510