The 447th legislative session of the Maryland General Assembly ended on April 7. Legislative efforts this year were overshadowed by the need to balance a $3 billion structural budget deficit amid unprecedented levels of uncertainty at the federal level. Nevertheless, MHAMD and our coalition partners were successful in preserving and expanding mental health and substance use funding, services and protections.

We are proud to present this report outlining the results of our advocacy during the 2025 legislative session, including budgetary and legislative action that:

- ✓ Ensures $100 million annually for **school mental health services** in jurisdictions across the state *(details related to all items on this list are reported below)*
- ✓ Provides $20 million in FY25 and $24 million in FY26 to fully fund **Maryland 988**
- ✓ Ensures the continuation of state planning related to the expansion of **Certified Community Behavioral Health Clinics (CCBHC)**
- ✓ Preserves $8.5 million in **foster care funding** intended to prevent inappropriate youth hospital overstays and placement in hotels
- ✓ Strengthens the **behavioral health workforce** by entering Maryland into the Interstate Social Work Licensure Compact
- ✓ Promotes equity in access to behavioral health care by ensuring continued coverage for **audio-only telehealth** services
- ✓ Prevents **balance billing** of commercially insured individuals forced to go out-of-network for behavioral health care
- ✓ Maintains funding for **behavioral health crisis response services** – including youth-specific crisis services – and ensures the continued development of Maryland's crisis response system is data-driven by establishing new outcome measurement and reporting standards
- ✓ Addresses a range of unmet **infant and early childhood mental health** needs, including issues related to the diagnosis and treatment of very young Marylanders

2025 Session Summary

2025 Legislative Briefing and Reception

As it does each year, MHAMD hosted a Legislative Briefing and Reception in Annapolis early this session to highlight policy priorities and build momentum for coalition advocacy efforts. Despite a series of logistical challenges, including weather-related rescheduling and cancellation of the keynote address due to illness, the event was an overall success. Attendees heard from and engaged with multiple legislators about critically important legislation being considered this year by the Maryland General Assembly. The briefing also included policy updates from Moore administration officials and an awards ceremony honoring four Maryland behavioral health champions. Links to a video and photos from the event are available on the MHAMD website.

Fiscal Year 2026 Budget

MHAMD and our coalition partners fought tooth and nail to protect access to mental health and substance use care in the face of a $3 billion budget shortfall and over $100 million in

proposed cuts to critical behavioral health services. In the end, much of this funding was preserved thanks to a strong grassroots advocacy effort combined with a coordinated press strategy, direct advocacy to legislators and sustained letter-writing campaigns.

School Mental Health

According to Maryland's 2022-2023 Youth Risk Behavioral Survey, more than a third of all Maryland high school students report feeling persistently sad or hopeless, nearly one in five high school students and nearly one in four middle school students have seriously considered suicide, and one in ten students have actually attempted suicide.[1]

Despite these dire statistics, the FY26 budget as introduced included a proposed 70 percent reduction in annual funding for school mental health care, from $130 million to $40 million per year. This funding, which was committed in 2020 as part of the landmark *Blueprint for Maryland's Future*, supports the delivery of school-based mental health care in every jurisdiction across the state and it is having a tremendous impact. Over the past ten months 77,000 students across 80 percent of all Maryland public schools have been served, and mental health outcomes have improved for 70-80 percent of these students.

MHAMD and the behavioral health community mobilized in opposition to the cuts and were successful in restoring enough funding to preserve the existing service capacity. The budget as passed includes $70 million in FY26 and $100 million each year thereafter. There is also $30 million in unspent FY25 funding, ensuring $100 million will be available next year too.

Maryland 988 Helpline

More Marylanders than ever are using Maryland's 988 helpline. It received over 8,000 calls in the most recent month, an increase of 30 percent over last year and 130 percent since launch. Texts to 988 are averaging 2,000 per month, a rate that is double that of two years ago and 20 times the rate since launch. Despite this, the proposed budget did not include adequate allocations for 988 in FY25 or FY26, threatening the program's viability at a time of great need.

Fortunately, advocacy from the behavioral health community resulted in the issuance of a supplemental budget with $20 million to support 988 in FY25 and another $24 million for FY26.

Certified Community Behavioral Health Clinics (CCBHC)

In 2023 the General Assembly passed Behavioral Health Coalition priority legislation (SB 362 & HB 1148) to establish a statewide network of CCBHCs – community providers that offer a comprehensive range of outpatient mental health and substance use care, coordination with other providers and services, and connection to other systems and supports. Pursuant to this

[1] Maryland Department of Health 2022-2023 Youth Risk Behavioral Survey and Youth Tobacco Survey data. https://health.maryland.gov/phpa/ccdpc/Reports/Pages/YRBS-2022-2023.aspx

language, the Department of Health applied for and received a nearly $1 million CCBHC planning grant in 2024.[2] Nevertheless, the proposed FY26 budget included a provision that would have effectively abandoned this initiative for fear of potential implementation costs down the road. Fortunately, this provision was rejected and CCBHC planning will continue.

Community and Facility Behavioral Health Workforce

Data from an alarming 2024 state assessment of Maryland's behavioral health workforce highlights an escalating crisis in access to mental health and substance use care. According to the report[3], which was completed pursuant to legislation the Behavioral Health Coalition spearheaded in 2023 (SB 283/HB 418), the state's current behavioral health workforce is at a breaking point that will continue to grow precipitously over the next three years if immediate action is not taken. Today's workforce of 34,600 behavioral health professionals is 34 percent smaller than necessary to meet current demand, requiring an immediate influx of 18,200 individuals. An additional 14,600 workers will be required to replace those leaving the field by 2028, requiring a doubling of current capacity in just three years to keep pace with need.

One of the report's recommendations for addressing the state's behavioral health workforce crisis is to provide competitive compensation through increased reimbursement rates and new payment models, so it was a pleasant surprise to see a one percent rate increase for community behavioral health providers included in the governor's proposed FY26 budget. Unfortunately, this funding was ultimately retracted late in session when $177 million in federal funding cuts to the Department of Health made the rate increase unfeasible.

MHAMD and our coalition partners were successful, however, in preserving funding for foster care providers who provide facility or "institutional" level of care. The greatest challenge facing the foster care system continues to be an inadequate array of institutional providers, resulting in hundreds of children each year – many of whom have significant behavioral health needs – lingering in hospitals or placed in hotels. Despite this, the Department of Legislative Services recommended a five percent reduction in reimbursement for these providers. But in the face of strong advocacy from the behavioral health community, the legislature rejected this recommendation, preserving $8.5 million in state and federal funding for these services.

Response to Federal Actions

In response to concern over ongoing reductions in federal spending, including large recently announced cuts to COVID-era grants impacting state health and education funding and potential future reductions in federal Medicaid reimbursements, the General Assembly included budget language triggering a state response should the overall decrease in federal aid reach $1 billion. In that event, the Department of Budget and Management is to report to the

[2] SAMHSA Grants Dashboard: https://www.samhsa.gov/grants/grants-dashboard?f%5B0%5D=by_nofo_number%3ASM-25-001#awards-tab
[3] *Investing in Maryland's Behavioral Health Talent*. Maryland Health Care Commission. October 2024. https://mhcc.maryland.gov/mhcc/pages/plr/plr/documents/2024/md_bh_workforce_rpt_SB283.pdf

legislature with plans for dealing with the reductions. This will give lawmakers more input on budget actions during the interim and help gauge when and if a special session is needed. Legislative leadership has indicated that a special session may be necessary in September or October as the federal budget year begins and the state gets updated revenue projections.

Reporting Requirements

In addition to the funding allocations and reports referenced above, the FY26 budget also includes the following notable reporting requirements:

- Department of Health report on **bed capacity and patient length of stay at Clifton T. Perkins Hospital Center**
- Department of Health spending plan for programs and services aimed at addressing **pediatric hospital overstays**
- Department of Health/Health Services Cost Review Commission evaluation of **primary care programs and initiatives**, including AHEAD and MDPCP
- Behavioral Health Administration report on **FY26 Behavioral Health Crisis Response Grant Program spending**, including awardees, amounts, and proposed use of funding
- Behavioral Health Administration data report on the continued **ASO transition**
- Behavioral Health Administration report on the timeliness of **grant payments to nonprofit local behavioral health authorities (LBHAs)**
- Department of Human Services report on the **number and length of stay of youth in out-of-home-placements** being served in emergency departments and hospitals and those placed in hotels
- Department of Human Services data report on the costs associated with **youth in out-of-home placements who are placed in hotels**

Maryland Behavioral Health Coalition

Budget challenges notwithstanding, MHAMD and the Behavioral Health Coalition advanced an ambitious policy agenda in 2025 designed to ensure equitable access to quality mental health and substance use care. The effort resulted in significant victories that will help bolster Maryland's behavioral health workforce, ensure parity in the delivery of mental health and substance use care, and support access to a range of behavioral health crisis response services.

Behavioral Health Workforce

As detailed above, Maryland is contending with a behavioral health workforce crisis that is threatening access to care at a time of increasing demand. The scale of this crisis among Maryland social workers is particularly disquieting. There are just under 2,800 social workers

employed currently in behavioral health settings across the state. To meet the current demand and replace workers leaving the field, Maryland will need to attract an additional 2,675 social workers by 2028. But this will be a tall challenge given recent graduation trends and employment patterns. Since the onset of the COVID-19 pandemic, degree completions from Maryland's social work master's programs have declined nine percent, and only a small portion of graduates from behavioral health-related programs actually work jobs in Maryland providing behavioral health services to residents. Many are either working in other industries in Maryland, employed out of state, or not working one year after degree completion.

SB 174/HB 345 (passed) enters Maryland into the Interstate Social Work Licensure Compact so Maryland social workers can deliver care in other compact states, and vice versa. The state has already adopted compacts for professional counselors and psychologists. This will bolster Maryland's behavioral health workforce by adding depth to local labor pools.

Telehealth

SB 372/HB 869 (passed) reauthorizes important provisions of law that ensure the continued availability of (1) audio-only telehealth services and (2) telehealth reimbursement rates that are on par with services delivered in person.

Audio-only telehealth is vital. Many Marylanders lack the financial means to purchase smart phones or other video technology and the data plans to support them. Others live in rural areas where broadband coverage is spotty at best. Audio-only telehealth mitigates these potential barriers to care.

Likewise, reimbursement rate parity between services provided through telehealth and those conducted in-person is critically important. The use of telehealth helps behavioral health providers allocate scarce resources to best meet the increased demand for behavioral health care. Allowing lower rates for the use of telehealth in the middle of a behavioral health workforce crisis would jeopardize providers' ability to maintain already stretched staff and likely cause those providers to eliminate telehealth as an option.

These are important components of Maryland's health care continuum that promote health equity for those living in vulnerable and underserved communities and help address gaps in care by extending access to patients who would either have to forgo needed care or travel long distances to receive it.

Balance Billing

Eight national studies from 2019-2023 have demonstrated blatant systemic inequity in access to behavioral health care, with Maryland's data often among the worst in the nation.[4] RTI International's April 2024 Behavioral Health Disparities Report documented that Marylanders

[4] see NORC-Bowman Equitable Access Report 2023 p.8

with commercial insurance are nearly nine times more likely to go out of network for behavioral health versus primary care, a rate that is more than twice the national average and fourth worst in the nation. These access challenges result in higher out-of-pocket costs that can make treatment unaffordable, even for those with insurance.

SB 902/HB 11 (passed) reauthorizes important consumer protections preventing commercially insured individuals from being billed extra when they are forced to go out-of-network for mental health or substance use care. This ensures Marylanders are held financially harmless when their insurance company cannot provide behavioral health care that meets their needs.

Step Therapy and Fail First Protocols

Step therapy and fail first protocols are practices used by health insurance companies to control the cost of prescription medications. They delay treatment by requiring patients to try and fail on insurer-preferred medications before receiving the medication their health care provider has actually recommended. This process can take weeks or months and have serious negative health consequences, especially for individuals living with serious mental illness. It often results in an escalation of symptoms, a worsening of illness and a transfer of costs to the taxpayer in the form of preventable hospital emergency department utilization, homelessness and criminal justice involvement.

SB 111/HB 382 (failed) would have prohibited health insurance companies and Maryland Medicaid from applying these practices to medications used to treat serious mental illness. Heavy opposition from insurers and a large estimated price tag from Medicaid doomed the bill, but the House Health and Government Operations Committee has asked the Department of Health and the Maryland Insurance Administration to study the issue over the interim and provide data that will inform future efforts.

Harm Reduction

The public health and safety threat from drug-related intoxication continues to be a major concern. Maryland has made progress in recent years to address the epidemic, but the state is still battling a crisis that is devastating families across the state. Over 1,600 Marylanders lost their lives to an overdose in 2024.[5]

Harm reduction strategies are a key pillar in the U.S. Department of Health and Human Services' Overdose Prevention Strategy. These strategies treat substance use disorders as a public health issue and aim to reduce negative consequences associated with drug use. Nevertheless, the General Assembly again chose not to pass two critical harm reduction bills.

SB 370/HB 556 (failed) would have decriminalized drug paraphernalia. Possession and distribution of ancillary drug supplies, including hypodermic needles, is currently punishable by

[5] https://health.maryland.gov/dataoffice/Pages/mdh-dashboards.aspx

up to four years in prison, a penalty harsher in most instances than possession of the drugs themselves. This makes drug users reluctant to participate in health programs like needle exchanges and more vulnerable to overdose deaths.

SB 83/HB 845 (failed) would have allowed for the establishment of a limited number of overdose prevention sites (OPS). OPS are facilities where people can use previously purchased drugs under trained supervision. Providing sterile needles, health care services and referrals to drug treatment, these sites aim to reduce the harms associated with drug use. These programs operate at several locations in the United States and in countries across the world and they have a 30+ year track record of preventing overdose deaths and infectious diseases and helping people with substance use disorders find treatment and other needed social services.

Behavioral Health Crisis Response

As demand for mental health and substance use care has increased and public awareness about Maryland's 988 helpline has continued to grow, the state's behavioral health crisis response network has seen a steady rise in calls for service. Steps taken this year will ensure continued progress in the development of a comprehensive and equitably available system of supports to divert individuals in crisis away from hospitals to more appropriate levels of care, targeting areas with the greatest unmet need.

SB 599/HB 1049 (passed) provides $5 million per year from FY27-29 for Maryland's Behavioral Health Crisis Response Grant Program. Established pursuant to legislation the Behavioral Health Coalition spearheaded in 2018, the program awards grants to local behavioral health authorities to develop and expand crisis response services in jurisdictions across the state. Additionally, while there is no statutory mandate to fund the program in FY26, MHAMD and our partners were able to secure a commitment from the Behavioral Health Administration to provide $5 million this year too, preventing harmful service disruptions and gaps in care.

SB 900/HB 1146 (passed) establishes a range of crisis response volume, capacity and performance outcomes that must be measured, collected and reported each year, ensuring that the continued development of the state's behavioral health crisis response system is data-driven and strategically addressing gaps in care. Required data points include 988 call, text and chat volume, answer rate and resolutions; mobile crisis team dispatch volume, response time and resolutions; and crisis stabilization center usage and discharge data.

Children's Behavioral Health Coalition

In addition to the school mental health and foster care budgetary outcomes detailed above, the Children's Behavioral Health Coalition (CBHC) spearheaded and supported critical legislative initiatives to improve outcomes for very young Marylanders, preserve behavioral health crisis response services for children, youth and families, address an over-reliance on hospitals and

other inappropriate placements for youth, and divert youth with behavioral health needs from justice involvement.

Infant and Early Childhood Mental Health Care

Exposure during ages 0-5 to poverty, violence, neglect, poor caregiver mental health and other adverse childhood experiences (ACEs) has a long-term impact on brain development and future functioning. Too often the result of this trauma is expulsion from childcare or preschool and complex behavioral health needs later in childhood and adolescence.

Recent federal guidance recommends that states should avoid requiring Medicaid-eligible youth – especially youth under five years old – to have a specific behavioral health diagnosis before receiving prevention and early intervention services, as screenings may identify symptoms that require attention but do not meet diagnostic criteria. [6] Maryland Medicaid, however, does not currently follow this guidance. To bill for services, providers must assign a behavioral health diagnosis within the first three appointments, regardless of the person's age. This policy does not account for the challenges in identifying and treating behavioral health conditions in very young children and may result in misdiagnosis or overdiagnosis.

SB 790/HB 1083 (passed) requires the Behavioral Health Advisory Council and the Commission on Behavioral Health Care Treatment and Access – in consultation with early childhood mental health specialists, families, advocates and other interested stakeholders – to develop recommendations for implementing federal guidance related to the screening, diagnosis and treatment of behavioral health conditions in children and youth.

Therapeutic childcare programs are another strategy for addressing social, emotional or behavioral challenges in very young children. These programs partner with parents and caregivers to support the social-emotional development of children, addressing childhood trauma and helping them learn to manage behaviors with evidence-based therapeutic interventions. One study of a therapeutic childcare center in Maryland found that 80 percent of the children it served successfully transitioned to a regular kindergarten classroom setting.[7]

SB 359/HB 185 (passed) reestablishes Maryland's Therapeutic Child Care Grant Program, which provides grants to providers that specialize in child care and early childhood education to children younger than age six who have developmental delays, physical disabilities, or delays in social, emotional, or behavioral functioning. The bill requires the governor to provide $1.5 million annually for the grant program from FY27-29.

---

[6] CMS. Best practices for adhering to EPSDT Requirements (September 26, 2024). https://www.medicaid.gov/federal-policy-guidance/downloads/sho24005.pdf

[7] Yair, Z. etal. Changing developmental trajectory in high-risk families: the effectiveness of an attachment-informed Therapeutic Nursery Program for preschool children with complex emotional and behavioral problems. Attachment and Human Development. Vol 23 (3). 2021. Accessed January 25, 2024. https://www.tandfonline.com/doi/full/10.1080/14616734.2020.1722717?scroll=top&needAccess=true

Youth Crisis Response

Behavioral health crisis response services designed to address the unique needs of children, youth and families are a key component of a comprehensive behavioral health system of care. Maryland is currently addressing this need through a pilot program that is delivering mobile response and stabilization services (MRSS) in Allegany, Cecil, Dorchester, Frederick, Garrett, Harford, Kent, Queen Anne's, Somerset, Washington, and Wicomico counties. MRSS is a youth and family-specific intervention model that provides individualized, culturally and linguistically competent trauma-responsive services to meet needs across domains, including peer support and in-home services. It is a critical component of Maryland's behavioral health system of care for younger Marylanders and their families, and a key strategy in reducing avoidable psychiatric emergency department visits and inpatient hospitalizations.

Maryland's MRSS program is currently supported with federal funding that expires soon. Fortunately, MHAMD and our coalition partners were able to secure a commitment from the Behavioral Health Administration to provide the state funding necessary to maintain existing service capacity in FY26.

Pediatric Hospital Overstays and Inappropriate Placements

A lack of treatment options for youth with behavioral health needs contributes to an over-reliance on emergency departments, extended hospitalizations and the placement of youth in inappropriate and unlicensed settings. In 2022, the Maryland Hospital Association reported a weekly census of 50 youth in overstay status, as reported by a total of 39 hospitals.[8] In addition, there is growing concern about youth in the custody of the Department of Human Services being placed in hotels for lack of other out-of-home placement options. These situations are incredibly costly and can have profound negative consequences for the youth.

SB 696/HB 962 (passed) takes several steps to address this issue. It expands the scope of Maryland's hospital registry and referral system to better serve pediatric overstay patients, it creates pediatric overstay coordinators in the Department of Health and the Department of Human Services to organize and manage interagency policies and procedures related to this population, and it establishes a workgroup to review data and develop a plan to end the use of pediatric overstays and placements in unlicensed settings.

Juvenile Justice Diversion

The absence of behavioral health programming is perhaps the single biggest reason for unnecessary youth incarceration nationwide. Over 70 percent of youth in the juvenile justice

[8] Not all hospitals reported data, and some youth are stuck in hospitals outside of Maryland. Maryland Hospital Association. Pediatric hospital overstay data collection project (2022). https://mgaleg.maryland.gov/cmte_testimony/2022/app/14I-S_o5hYUDorM40m8F6EtEtBpcAyyUF.pdf

system have behavioral health conditions, with nearly 30 percent of those youth experiencing severe conditions.[9]

HB 814 (passed) requires the Department of Juvenile Services to report to the legislature on its efforts to promote delinquency prevention programs, including Youth Service Bureaus (YSBs), and their efforts to partner with local jurisdictions to establish YSBs. A YSB is a community-based entity that provides community-oriented delinquency prevention, youth suicide prevention, substance use prevention, and youth development; ameliorate conditions that contribute to delinquency, youth suicide, substance use, and family disruption; and functions as an advocate of youth needs.

Mental Health and Aging Coalition

By 2040 the number of Marylanders over 60 years old will comprise nearly a third of all state residents,[10] but the availability of community care designed to meet the unique mental health and substance use needs of this population is inconsistent across the state. MHAMD and our partners on the Mental Health and Aging Coalition (MHAC) supported efforts this session that will help to address several MHAC policy priorities, including issues related to increased social isolation and the unnecessary institutionalization of older Marylanders.

SB 212/HB 36 (passed) consolidates and modernizes three state-funded programs administered by the Maryland Department of Aging – the Senior Care program, the Senior Assisted Living Subsidy program, and the Congregate Housing Services program. Together these programs provide $21 million annually for a range of in-home and community support services that delay or prevent the need for institutional care, allowing older Marylanders in every jurisdiction across the state to live safely in their homes with dignity. The consolidation of these programs will streamline processes and reduce administrative burden, creating efficiencies that will allow more Marylanders to benefit from these services.

SB 223/HB 158 (passed) enhances an existing program within the Department of Aging and reestablishes it as the Senior Call-Check and Social Connections Program. The current Senior Call-Check Program serves over 2,000 Marylanders aged 65 and over. Each day, program participants receive an automated call to check on their wellbeing with follow-up support provided as necessary. This bill expands the program to include live and virtual web- and text-based communications, as well as possible in-person service options. The new program will provide for more purposeful social engagement to better address individual needs and reduce social isolation, which is associated with a variety of physical and mental health conditions.[11]

[9] The Sentencing Project "System Reforms to Reduce Youth Incarceration" (2023).
[10] State Plan on Aging 2022-2025. Maryland Department of Aging. https://aging.maryland.gov/SiteAssets/Pages/StatePlanonAging/MD%20State%20Plan%202022-2025.pdf
[11] Social isolation, loneliness in older adults pose health risks. National Institute on Aging (April 2019). https://www.nia.nih.gov/news/social-isolation-loneliness-older-people-pose-health-risks

Other Behavioral Health Bills

Forensic Review Boards

SB 43/HB 32 (passed) requires the Department of Health to establish forensic review boards (FRB) at state psychiatric facilities that have custody of persons who have been committed as not criminally responsible (NCR) and develop FRB processes for reviewing patient records and recommending if a committed person should be considered eligible for discharge or conditional release. There exists currently a lack of transparency and inconsistency in discharge and conditional release processes at these facilities. This bill will create a standardized process for FRB assessments to ensure each committed person is entitled to the same due process, regardless of the facility in which they are held.

Commission on Behavioral Health Care Treatment and Access

The Commission on Behavioral Health Care Treatment and Access was established in 2023 to make recommendations for ensuring appropriate, accessible, and comprehensive behavioral health care services are available on demand to Marylanders of all ages. The group has issued two annual reports so far outlining recommendations from its four standing workgroups, which focus on issues related to older adults, youth, justice-involved individuals, workforce, financing and infrastructure. HB 1066 (passed) establishes a new standing workgroup that will focus on improving health, social, and economic outcomes related to substance use.