
Mandated Health Insurance Benefits

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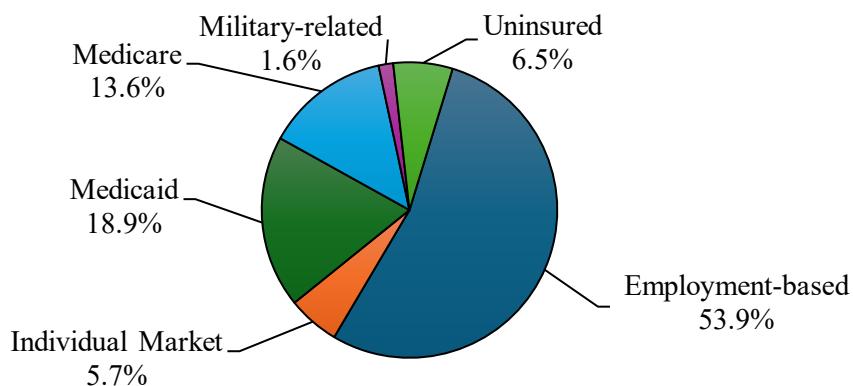
Overview

The Department of Legislative Services is often asked why certain health insurance benefits may not be provided by a health benefit plan. This is due to most Marylanders being covered through their employer by a self-insured plan that is not subject to Maryland law. Fully insured, large group plans and certain individual plans must cover Maryland's mandated 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 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). As shown in **Exhibit 1**, in calendar 2023, more than 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.

Exhibit 1
Health Insurance Coverage for Marylanders
Calendar 2023



Note: Figures do not sum due to rounding. Actual Medicaid enrollment was significantly higher than the 18.9% shown, with approximately 23% of Marylanders enrolled in Medicaid in calendar 2023.

Source: Kaiser Family Foundation estimates based on the 2008-2023 American Community Survey, 1-Year Estimates

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. To confirm whether your health benefit plan is fully insured or self-funded, contact your employee benefits coordinator or Human Resources department.

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 2 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 2
Maryland's Mandated Health Insurance Benefits
for Large Group and Grandfathered Plans

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

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 3** summarizes the EHBS required as of September 2025. For further specifics, see MIA's [Essential Health Benefits Chart: Individual and Small Group Plans](#).

Exhibit 3
Essential Health Benefits for Individual and Small Group Plans

Allergy serum	Hospice
Ambulance service	Infertility services (excludes IVF for small groups)
Bariatric surgery	Inpatient hospital services
Blood and blood products	Medical food
Breast reconstructive surgery/prosthesis	Mental health and substance use benefits
Cardiac rehabilitation	Nutritional services
Care in office for illness or injury	Outpatient hospital services
Case management	Outpatient laboratory/diagnostic services
Chiropractic services	Outpatient short-term rehabilitation
Controlled clinical trials	Patient centered medical homes
Diabetic treatment/equipment/supplies	Pediatric dental
Durable medical equipment	Pediatric vision
Emergency services	Pregnancy and maternity
Family planning services	Prescription drugs
General anesthesia/associated care for dental care for children	Preventive services
Habilitative services	Prostate cancer screening
Hair prosthesis following cancer (not for small groups)	Pulmonary rehabilitation
Hearing aids	Skilled nursing facility
Home health care	Transplants
	Wellness Benefits

Note: Essential health benefits as of September 8, 2025.

Source: Maryland Insurance Administration; Department of Legislative Services
