

University of Maryland Medical Center
Division of Community Psychiatry

SB 638

Maryland Insurance Commissioner – Specialty Mental Health Services and Payment of Claims
Enforcement

Senate Finance Committee

February 24, 2021

POSITION: FAVORABLE

I am Maxine Klane, and I am the Division Administrator for the Community Psychiatry Division at the University of Maryland Medical Center (UMMC). We provide behavioral health services in Baltimore City, primarily on the West Side. I am submitting this written testimony on SB 638 to urge your support for this bill. The UMMC Community Psychiatry Division serves approximately 2,600 clients every year, and we employ 170 individuals. A majority of the patients we serve are publicly funded Medicaid patients.

SB 638 authorizes the Maryland Insurance Commissioner to enforce minimum performance standards for the Administrative Service Organization (ASO) that is responsible for managing care and paying claims for Maryland public behavioral health system. The bill is emergency because immediate action is needed to prevent continued harm that reduces our capacity to treat Maryland residents at a time when the pandemic is driving need higher than ever.

We have been working under the current ASO vendor for over a year. Fixes have not been delivered in the timeframes promised, and critical functions remain absent. The system is not stable and not functioning at the level needed to. Optum's current dysfunction is reducing our revenue and increasing our costs. We have already been forced to redirect resources away from treatment because of Optum. Without immediate enforcement, our agency faces the ongoing squandering of staff resources, payment delays, and the potential loss of significant revenue for FY20 and FY21 if reconciliation is not resolved fairly and accurately.

Our experience with Optum to date is illustrated by the examples below:

- **Basic business revenue tools don't exist:** The ability to run reports, research claims, and reconcile payments—all basic revenue cycle management functions-- are not available in Optum's system. The Incedo system is set up to pay claims based on Tax ID numbers and lumps all programs together related to that Tax ID number. Since the Community Psychiatry Division is part of the larger University of Maryland Medical Center, this practice of paying claims to the Tax ID number has resulted in:
 - Community Psychiatry did not routinely receive estimated payments during the January through July 2020 time period as payments were sent to various lockboxes across the campus with no identifying information. This was especially detrimental financially to our rate-regulated clinic programs. Early in 2020, we requested that Optum provide an individual set-up for each clinic, so they are distinct from the rest of the UMMC programs. That has never happened.

- **Erroneous claims denials:** The limitations and errors in Optum’s system mean claims are denied in error constantly. For instance:
 - Optum denies clinic services for using the NCCI (National Correct Coding Initiative) modifiers established by Medicare. Optum won’t accept the modifiers, despite their industry standard nature, and UMMC Revenue and Integrity Department requires them. We requested coding from Optum to provide to the Revenue and Integrity Department to alter the modifiers directly in the UMMC system, but this was never received. Instead, we have had to re-bill them and then edit them in the Optum system which is triple work for our billing staff and totally unnecessary.
 - Optum continues to deny secondary treatment plans without a Medicare EOB. After contacting Optum many times, we were told that Optum processors would be educated appropriately so those denials would stop. The denials did not stop, and we now know that they are caused by a systemic issue with insurance indexing in their system.
 - Optum denies claims as duplicates when we re-bill claims that were Optum mistakes in the first place. Optum routinely requests providers to send them spreadsheet of erroneously denied claims for them to review and reprocess, but does not fix the root cause of the denials, so they occur again. *Optum needs to correct their own mistakes without our involvement.*

- **Customer Service:** Erroneous denials often do not have accurate or actionable denial reasons, requiring our staff to call to Optum customer service for each of these. Optum staff are poorly trained and consistently remit incorrect information, so each phone call lasts about 45-60 minutes and fixes only a handful of claims, if at all.
 - There have been numerous times when staff have had to explain rules, COMAR regulations, basic insurance information, or practices related to billing and/or authorizations to Optum staff. *Providers’ billing staff should not have to educate Optum staff on how to process claims correctly.*

- **Reconciliation:** The absence of basic revenue cycle management tools has rendered the reconciliation of 7 months of estimated payments (from the period when Optum’s claims system was entirely non-functional) nearly impossible. Our staff are manually reconciling claims from reports remitted by Optum which do not match the receipts we have received which still yet display different information that their claims processing system.
 - The reports designed by Optum to “assist” providers with reconciling estimated payment amounts contain claims information for many areas of the University of Maryland Medical Center including psychiatric programs that are not part of Community Psychiatry, as well as clinical areas entirely outside of psychiatry. Our program now has the daunting and tedious task of weeding out our claims from this huge report. Reviewing this report manually line by line is the only way to accomplish this as *Optum says they are unable to remit a report that reflects claims for our program only. Needless to say, these reports also contain HIPAA protected information for patients that are not seen at UMMC Community Psychiatry programs.*

- We are very concerned about timely filing deadlines for claims that never seemed to make it into Optum's system despite successful submission. We should not be penalized for Optum's faulty system that continues to have problems after 14 months.
- The unresolved claims on our books from 2020 has impacted our recent financial audits and leaves us with incomplete financial information. It affects our ability to manage and plan for our programs during an already challenging time, the Covid-19 pandemic. Too much time has been wasted on Optum-related issues instead of focusing entirely on making sure our clients are safe, have access to PPE, food and medications. The flow of billing claims and receiving payments has never been this complicated and time consuming.

As a provider on the front lines of behavioral health care in Maryland, we urge you to act now to preserve Maryland's treatment capacity and vote a favorable report on SB 638.