

MSA The Child & Adolescent Center

SB 638

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

Senate Finance Committee

February 24, 2021

POSITION: FAVORABLE

I am Martin Slutsky, and I am the President at MSA The Child & Adolescent Center. We provide behavioral health services to children in Howard County. I am submitting this written testimony on SB 638 to urge your support for this bill. Our organization serves approximately 4000 patients every year, and we employ 30 individuals.

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 may be forced to stop treating children insured by Medicaid.*

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. Billing operations which used to be done electronically now require an enormous manual lift for our agency. We've been forced to hire 2 additional billing staff to keep up.
- **Erroneous claims denials and inaccurate payment:** The limitations and errors in Optum's system mean claims are denied in error constantly and the payments that are made are at incorrect rates. Optum is unable to correctly process billing we submit on behalf of psychiatrists. Our psychiatrists are paid as a percentage of collections, and none of them want to accept MA patients any longer because the payments are almost always incorrect.
- **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. Optum's phone lines are also notorious for disconnecting calls, and not reliably giving issue #s to complaints so they can be tracked or escalated. We just do not have the staff time available to be placed on hold constantly only to receive wrong information.

- **Reprocessed claims:** The substantial volume of erroneous claims denials, as well as a steady stream of claims paid at the wrong rate, mean that our agency has hundreds of thousands of claims reprocessed 1, 2, 3 and sometimes 10 times. What this means is that instead of managing the billing for an agency that submits 1000 services in a month, our billing staff are managing a revenue cycle equivalent to an agency 5 times our size.
- **Broken functions:** Optum's claims system is constantly malfunctioning. A few weeks ago, we lost the ability to download information on our service authorizations for 2 weeks. Our entire workflow stalled and backed up. Another example is the search function in Optum's system has been broken since early November, inhibiting our ability to access the entirety of client and claims information we need--causing duplicate records, which in turn, causes more claims denials.
- **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. We received contact from Optum representatives who are supposed to guide us through the reconciliation process, but they have remitted no clear information on how that process would work nor have they given us the tools to access the information that would enable us to begin the process.

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.