

Prologue, Inc.

SB 638

Maryland Insurance Commissioner – Specialty Mental Health Services and Payment of Claims –
Enforcement
Senate Finance Committee
February 24, 2021

POSITION: FAVORABLE

I am Sendy Rommel and I am President and CEO at Prologue, Inc. We provide mental health and substance use, and housing and homeless services in Baltimore, Carroll and Harford Counties. I am submitting this written testimony on SB 638 to urge your support for this bill. Our organization serves approximately 1,000 individuals and/or families every year and we employ 100 + individuals. A majority of the persons we serve are publicly funded Medicaid recipients.

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 provide services to 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. Optum's current dysfunction is reducing our verifiable revenue and increasing our costs. Without immediate enforcement our agency faces ongoing financial limbo caused by continued delays in obtaining the necessary tools to complete the reconciliation process. *In the last 24 years, our agency has worked through many ASO transitions with several different vendors and have never experienced anything remotely comparable to this level of dysfunction and system inadequacy.*

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. The Incedo portal does not display check numbers matched with claims information, an especially essential tool given the volume of reprocessed and partially paid claims. Each claim therefore requires extra staff time and manual effort to verify and cross-reference.
- **Erroneous claims denials:** The limitations and errors in Optum's system mean claims are denied in error constantly. For instance, Optum's system cannot accurately process multiple insurances or changes in client eligibility. All of these claims have denied since August. These claims do not pay and are near impossible to track; leading to the need to re-bill multiple times.
- **Customer Service:** Erroneous denials often do not have accurate or actionable denial reasons, requiring our staff to call Optum customer service for each of these. Optum staff is poorly trained and consistently convey incorrect information. Just this week, one of our

Program Directors spent three hours on the phone with customer service to correct 15 of 28 pending issues. Based on past experience, we expect only 8 of these to be resolved correctly, requiring our staff to make another lengthy follow-up call. The time spent resolving these issues takes away from time providing essential services to individuals in need.

- **Broken functions:** Optum’s claims system is constantly malfunctioning. Some recent malfunctions include foundational operations such as downloading authorizations and searching the Incedo system for claim information. When they are broken, we can’t do our jobs. Every week it is something new that they are “going to fix” or “getting ready to relaunch.”
- **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 is manually reconciling claims from reports remitted by Optum which do not match the receipts we have nor do they match the information in Optum’s claims processing system. This has impacted our fiscal year-end financial audit. *This is the first time in decades our financial audit has not been completed within three months of the fiscal year end. It has impacted our ability to move forward with several pending projects requiring bank level approvals that require a current audit.*

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.