

Senate Bill 638
Maryland Insurance Commissioner –
Specialty Mental Health Services and Payment of Claims – Enforcement

Senate Finance Committee

February 24, 2021

Favorable

Catholic Charities of Baltimore strongly supports Senate Bill 638, which would grant the Maryland Insurance Administration clear statutory authority to oversee the payment process for specialty behavioral health services administered by the administrative services organization.

Inspired by the gospel mandates to love, serve and teach, Catholic Charities provides care and services to improve the lives of Marylanders in need. We offer 80 different programs at over 300 sites, with services focused on poverty alleviation, behavioral health, developmental disabilities, long term care of low income seniors, and housing. As one of the largest private providers of behavioral health care in the state, we serve children, youth and families in our six clinics, 120 public schools, a residential treatment center, and now via telehealth.

Catholic Charities is accustomed to complying with the regulations, policies, billing practices, and other intricacies of our numerous local, state and federal funders. We thought we had seen it all, but never in the almost 100-year history of our organization have we experienced a complete failure of operations comparable to the Optum launch, which occurred on January 1, 2020.

All of our behavioral health encounters are billed through Optum. During the first seven months of operations, Optum was not able to properly process any claims -for us or for any other provider. Providers instead received estimated payments arbitrarily based on the prior year's volume. This is despite the fact that the pandemic forced us into a completely different model of service delivery. Payments we have received from Optum for claims billed since the late summer of 2020 are equally unidentifiable and unmatchable to the claims we have billed. At 11,000 claims per month, we are now approaching 150,000 total claims over more than 13 months equaling approximately \$15 million in unmatched claims. We have no confidence in the work of the ASO that this will be resolved.

Optum has not been able to give providers the tools necessary to identify claims that have been paid or not paid, claims that were denied for legitimate reasons that need to be reprocessed, how much money we might owe the state, or how much the state may owe us. These are basic functions of any billing system, and functions past ASO's were able to deliver. Unfortunately, the failure of Optum has resulted in a 13-months long diversion of significant Catholic Charities' resources and created a significant lack of clarity in our financial records, the latter causing difficulties completing our annual external audit last year and now again for the current fiscal year. Furthermore, the magnitude of this situation has now become part of the regular conversation with our Board of Trustees, and our leadership is greatly concerned. Routine accounting processes should never have to rise to such a level of oversight within any organization.

It has been over a year since Optum took over as the ASO. Their systems are still not working and there is no resolution in sight. It is long past time for Optum to be held accountable. SB 638 would provide the Maryland Insurance Administration with the clear statutory authority to do so. **Catholic Charities of Baltimore appreciates your consideration, and urges the committee to issue a favorable report for Senate Bill 638.**

Submitted By: Scott Becker, Chief Financial Officer