

SB 638  
Maryland Insurance Commissioner – Specialty Mental Health Services and Payment of Claims –  
Enforcement  
Senate Finance Committee  
February 24, 2021

**POSITION: FAVORABLE**

I am writing on behalf of Community Residences, Inc. (Cri) in my capacity as President and CEO. Cri is a non-profit human service agency supporting individuals with mental health, substance use and intellectual/developmental disabilities. We provide services in Baltimore, Anne Arundel and Montgomery counties to over 1,000 individuals every year, and we employ 650 staff members. All individuals we support in Maryland are publicly funded by Medicaid. I am submitting this written testimony on SB 638 to urge your support for this bill.

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.

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.
- **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 any. 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.

- **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 claims reprocessed 1, 2, 3 and sometimes 10 times.
- **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.

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.