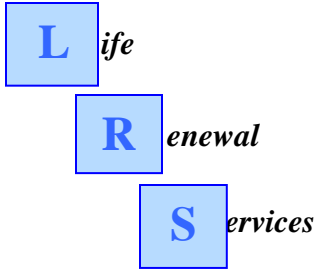


# OUTPATIENT BEHAVIORAL CENTER

## PSYCHIATRIC REHABILITATION PROGRAM



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SB 638

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

### POSITION: FAVORABLE

I am Karen Byrd, and I am CEO at Life Renewal Services, Inc. We provide behavioral health services in Carroll and Howard Counties, and in the Baltimore Metropolitan area. I am submitting this written testimony on SB 638 to urge your support for this bill. Our organization serves approximately 1,090 clients every year, and we currently employ 79 individuals. A majority of the clients we serve are publicly funded Medicaid clients.

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. We consider this bill to be an 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 eventual layoffs which will inevitably lead to a decrease in client services.*

The bullets listed below illustrate our experiences working with Optum:

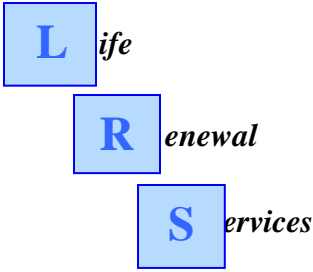
- **Basic business revenue tools don't exist:** The ability to run reports, research claims, and reconcile payment and all basic revenue cycle management functions are simply not available in Optum's system. Billing operations which used to be done electronically now require an enormous manual lift for our organization. We use Optum's Incedo system as our direct entry portal for claims submission, and the system has not been maintaining all of our data entry for claims. We have had many batches of claims disappear over the past 14 months, and we are constantly having to check Incedo to confirm the system has captured all of our submitted claims. As a direct result of this additional workload, we had to hire an additional billing staff member.
- **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 been denied since August. Additionally, our clinic service line billing

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configuration is STILL not set up properly in Optum's system. We request payment for the correct amount and often get paid a lower rate.

- **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. It's been our experience that Optum staff are poorly trained and consistently remit incorrect information, so each phone call often lasts approximately an hour and typically fixes made only translate to a handful of claims, if any. Our billing team members have contacted customer services and emailed designated supervisors and still no responses are received. Optum's phone lines are also notorious for disconnecting calls, and not reliably giving reference #s to complaints so they can be tracked or escalated.
- **Authorizations:** There have been several occasions when authorization requests for services have received denials because an Optum representative missed a piece of documentation that was present or could not open an attached word document. After contacting customer service, the Optum representative receiving the call was miraculously able to open the attached document, however, due to the denial already being rendered, staff members still had to resubmit the authorization request. These types of errors inevitably lead to which wasted staff time and weeks-long delays in service authorizations.
- **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 organization has hundreds of thousands of claims reprocessed 1, 2, 3, and occasionally up to 10 times. What this means is that instead of managing the billing for an agency that submits 10,000 services in a month, our billing staff are managing a revenue cycle equivalent to an agency 5 times our size.

In addition to reprocessed claims, we also have claims that are more than 30 days old for which we have received neither payment nor remittance advice (denial or receipt). We are at a loss to determine how to get these claims paid despite repeated contacts with Optum. We also have claims that have sat in the Incedo system for months in "approved" status but have never paid. We have also not been successful, after many contacts with Optum, in determining why these have not paid.

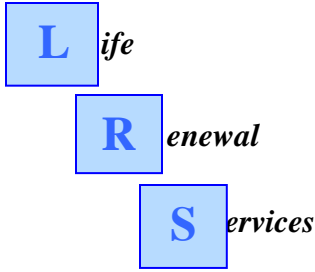
- **Broken functions:** Optum's claims system is constantly malfunctioning. A few weeks ago, we lost the ability to download information on our service authorizations for 2 weeks. Our entire workflow stalled and backed up. Another example is the search function in Optum's system has been broken since 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.

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- **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. This has impacted our recent financial audits and forced our agency to pay taxes on money that we will have to return. If recoupment of funds from the estimated payment period precede our agency being paid for our outstanding unpaid claims reconciliation issues, it may force us to apply for lines of credit to cover the deficit.

In summary, significant problems with Optum continue to hamstring our operations, tie up significant amounts of staff time, and threaten our financial well-being. 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.

Karen Byrd, LCPC  
CEO  
Life Renewal Services, Inc.

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