



The Maryland Clinical Social Work Coalition

The MdcSWC, sponsored by the Greater Washington Society for Clinical Social Work, represents the interests of more than 9,500 licensed clinical social workers in Maryland.

TO: The Honorable Delores G. Kelley, Chair
Members, Senate Finance Committee
The Honorable Malcolm Augustine

FROM: Judith Gallant, LCSW-C, Chair, Maryland Clinical Social Work Coalition

DATE: February 24, 2021

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

The Maryland Clinical Social Work Coalition (MdcSWC), sponsored by the Greater Washington Society for Clinical Social Work, represents the interests of more than 9,500 licensed clinical social workers in Maryland. On behalf of MdcSWC, we **support** Senate Bill 638.

Senate Bill 638 authorizes the Maryland Insurance Commissioner to enforce the existing law of § 15-1005 of the Insurance Article with respect to the Administrative Services Organization (ASO) of the Public Behavioral Health System (PBHS). Maryland's fee-for-service PBHS is managed by an ASO through a statewide contract with the Maryland Department of Health (MDH). In 2020, the ASO transitioned from Beacon Health to Optum Maryland. Since this transition occurred, there have been significant and unaddressed challenges for behavioral health providers in the PBHS, including, but not limited to, a largely inoperable provider portal for entering and managing provider claims, denied authorizations, incorrect claims payments to providers, and inaccurate information for reconciliation of claims. Although, Optum Maryland has made efforts to correct the many system failures, the challenges still exist today and Optum has not demonstrated a plan to resolve them.

The Maryland Insurance Administration (MIA) has indicated that without the passage of this legislation, it does not have statutory authority to enforce compliance by the ASO with the prompt pay and interest penalty provisions of § 15-1005 of the Insurance Article, that authority currently abides with MDH. § 15-1005 provides that entities subject to this subsection must do one of three things within 30 days:

1. Mail or otherwise transmit payment for the claim;
2. Send a notice of receipt and status of the claim specifying that the ASO refuses to reimburse all or part of the claim, the reason for the refusal, and what additional information is necessary to determine if all or part of the claim will be reimbursed; or
3. State that the claim is not clean and the specific additional information necessary for the claim to be considered a clean claim.

The subsection also includes the provision of interest penalties if the ASO violates these requirements and establishes fines and penalties for arbitrary and capricious violations as well as penalties for frequent violation.

Greater Washington Society for Clinical Social Work: www.gwscsw.org

Contacts: Coalition Chair: Judy Gallant, LCSW-C; email: jg708@columbia.edu; mobile (301) 717-1004
Legislative Consultant: Pamela Metz Kasemeyer, Schwartz, Metz & Wise PA, 20 West Street, Annapolis, MD 21401

Email: pmetz@smwpa.com; mobile (410) 746-9003

The providers impacted by Optum's system failures are safety net providers who serve those in need. While they have continued to work with Optum to try to fix the system's shortcomings, these providers cannot continue to be underpaid and divert scarce human resources to address the malfunction of Optum with respect to claims administration. Passage of Senate Bill 638 will ensure that Optum will be held accountable to the providers and the individuals they serve. A favorable report is requested.

For more information call:

Pamela Metz Kasemeyer

Danna L. Kauffman

410-244-7000