



**Jewish Social Service Agency**

SB 638

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

Senate Finance Committee

February 24, 2021

**POSITION: FAVORABLE**

I am Caroline Appleby, Chief Financial Officer at Jewish Social Service Agency. We provide behavioral health services in Montgomery County. I am submitting this written testimony on SB 638 to urge your support for this bill. The behavioral health department of our organization serves approximately 1,900 individuals every year, and we employ 50 behavioral health clinicians. Approximately 9% of the patients we serve are publicly funded Medicaid patients, with anticipated growth to 25% over the next three to six months as both Medicaid enrollment and mental health needs continue to grow as a result of the pandemic.

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 increasing our costs and administrative burden. Without immediate enforcement, our agency faces greater expenses against services with little or no profit margin.

Our experience with Optum to date is illustrated by the examples below:

- **Basic business revenue tools do not 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. We are no longer able to import electronic EOBs (billing receipts) to reconcile to payments. Instead, we must manually enter EOBs and manually manage their reconciliation to claims submitted while Optum's system was non-functional for 7 months. We have needed to increase billing staff by 1 FTE in order to keep up, and will need to add additional staff if these issues persist.
- **Customer Service:** Optum's claims processing system, called INCEDO, is their online portal where providers are expected to register agency information, including their provider type, as authorizations and claims are processed by provider type. This system, after not functioning at all for 7 months, caused challenges for many providers including JSSA in setting up their

payments portals. Optum's initial guidance was poor, and their attempts to resolve this issue were subsequently bungled, leaving us finally to work directly with Medicaid's customer support, and leaving us without access to claims information for months. Because of this set-up delay, many of our patient authorizations were attached to the wrong provider type, and caused claims denials. Optum agreed to review their system for a solution, however, after repeated requests for status updates, we received no response. Left to rectify the problems ourselves, we were forced to manually seek new authorizations to avoid timely filing issues, a fix that also took many weeks to resolve.

- **Communications:** Optum's communication is both slow and poorly timed. Optum will often alert providers of an upcoming deadline only to change the deadline at the last minute because a systems issue they expected to be fixed, was not ready. When this happens, we have had to drop other tasks to meet this deadline only to be told after completion of the task that the deadline was extended an additional three months.
- **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.