



February 24, 2021

**Senate Finance Committee
TESTIMONY IN SUPPORT**

*SB 638 Maryland Insurance Commissioner – Specialty Mental Health Services and
Payment of Claims – Enforcement*

Behavioral Health System Baltimore (BHSB) is a nonprofit organization that serves as the local behavioral health authority (LBHA) for Baltimore City. BHSB works to increase access to a full range of quality behavioral health (mental health and substance use) services and advocates for innovative approaches to prevention, early intervention, treatment and recovery for individuals, families, and communities. **Baltimore City represents nearly 35 percent of the public behavioral health system in Maryland, serving over 77,000 people with mental illness and substance use disorders (collectively referred to as “behavioral health”) annually.**

Behavioral Health System Baltimore is pleased to support SB 638 Maryland Insurance Commissioner – Specialty Mental Health Services and Payment of Claims – Enforcement. This bill requires the Maryland Insurance Commissioner to enforce existing law of § 15-1005 of the Insurance Article (payment of “clean claims”) 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, Optum Maryland has not met provisions and performance metrics within its contract with the Maryland Department of Health. This has resulted in an array of 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, 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.

Existing statute requires the ASO to comply with existing Insurance Articles enforced by the Maryland Insurance Commission. Current law requires Optum Maryland to do at least one of the following within 30 days:

1. Claims payment;
2. Notification of a dispute regarding reimbursement amount;
3. Notification that the claim is not “clean” and what action would need to be taken by the provider to fix it.

If none of those happen within 30 days, then interest penalties are applied. SB 638 would provide Maryland Insurance Commissioner the statutory authority to enforce Optum Maryland’s compliance with these requirements. **As such, BHSB urges the Senate Finance Committee to pass SB 638.**