

TO: The Honorable Shane Pendergrass, Chair  
House Health and Government Operations Committee

FROM: Annie Coble  
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Johns Hopkins would like to provide information regarding **House Bill 919 Maryland Insurance Commissioner – Specialty mental Health Services and Payment of Claims – Enforcement**. This bill would grant the Maryland Insurance Administration authority to force the behavioral health administrative services organization (ASO), Optum Maryland, to pay claims. The need for this bill was provoked because of troubles during the transition of the behavioral health ASO from Beacon Health Options to Optum Maryland. Johns Hopkins is appreciative of the work done by the Maryland Department of Health to try and minimize the impact on providers and Medicaid recipients during the transition. As one of the largest providers of behavioral health services in the state of Maryland, Johns Hopkins has been uniquely impacted by the changes. This letter is to provide more detail to the challenges experienced by John Hopkins, which we believe are similar to those experienced by other providers.

#### **Estimated Payments**

When Optum Maryland began serving as the State's ASO on January 1, 2020, there were no claims payments made to providers for most of that month. At the end of January, estimated claims payments began based upon payments from the corresponding week in the previous year (2019).

This approach to payments, using 2019 payments as a guide, was originally scheduled to end in April 2020, but estimated payments continued through October 2020. This has been highly disruptive, as volumes of service for a provider or program do not necessarily track on past performance, especially during a global pandemic. Budgeting under these circumstances has been extremely challenging, and there has been the worry that an eventual reconciliation might necessitate payment back to the state if volumes had decreased. During that time, Johns Hopkins exceeded \$50M in pending claims processing across its five hospitals. Throughout this time, Optum did not provide guidance or direction as to what the reconciliation process would be, making planning even more problematic.

#### **Reports and Reconciliation**

Reconciliation has been problematic throughout this process and remains a challenge to the present time. For a sustained period, Optum Maryland has not able to link payments with specific providers, making it extremely difficult for our health system to determine appropriate payments for particular centers (e.g., Johns Hopkins Hospital

versus Johns Hopkins Bayview Medical Center), let alone programs or individuals within those centers. This makes budget planning and individual provider feedback regarding performance impossible and has constrained targeted growth that might otherwise occur. This has been further confounded by delays in getting individual providers appropriately set up in the Optum system.

Additionally, reconciliation has also been delayed several times as the Optum Maryland system needed additional updates and reconciliation reports to be finalized. The first version of reconciliation reports provided by Optum lacked necessary information for Johns Hopkins to properly evaluate which submitted claims had been paid. Eventually Optum Maryland implemented a pilot reconciliation process in which Johns Hopkins was fortunate to participate. During the pilot there continued to be issues with the clarity and completeness of the reports. Additionally, Johns Hopkins continued to experience a lack of information that impeded progress. Unfortunately, the reconciliation meetings and resources to-date have failed to address concerns regarding missing information and some irreconcilable claims and payments received.

### **Authorizations**

Johns Hopkins has had an issue with being able to get authorizations. There have been periodic episodes where many of our clinics do not have the option when getting an authorization to select a “service”, which halts their capability to proceed in obtaining an authorization process. We have had several one on ones with Optum and our clinic representatives to resolve these issues when this happens, and it seems to work for a few months and then randomly the issue will return. This is in the process of being resolved again by Optum.

### **Customer Service**

Although Optum Maryland’s Customer Service representatives have consistently been cordial and accommodating, our experience has been that frequently representatives were unable to answer specific questions. Regular meetings with Johns Hopkins and Optum Maryland’s customer service were established to try to resolve issues efficiently. But, the Optum representatives continued to be unable to answer questions, either because they did not know the answer or did not have the authority to respond on a certain issue. Having the proper Optum representation on the call would have allowed for quicker resolutions.

Johns Hopkins understands and appreciates all of the work and dedication the State has put forth to get Optum Maryland to this point. However, it is important for the Committee to have a full understanding of the issues around the Optum Maryland roll out. As you can imagine, such significant delay in reimbursement to providers, and the uncertainty as to whether payments are lower or higher than they should be, inhibits our ability to fully address the needs of our patients and to retain the providers who serve these vulnerable patients.

This delay of processing has resulted in unresolved system issues with Optum that were not exposed until August, when processing backlogged claims began. This processing, and these issues are still ongoing and need to be addressed. Additionally, patients are continuing to receive behavioral health care. These delays have resulted in Johns Hopkins Customer Service concerns over the status of the outcome of their insurance bills and authorized services.

Planning for expansion of services, critically needed during these stressful times, has been extremely problematic and challenging. This has affected providers in the

Hopkins system, and our financial projections. Of more significance, it has created an environment in which we are constrained in our operations and patient focus due to the distraction of Optum authorization and System issues. While we do not have a position on this legislation, we appreciate the General Assembly's attempt at addressing the concerns of the behavioral health providers impacted during this transition. Johns Hopkins and the State share the same goal of providing the highest quality of behavioral health care to Medicaid recipients. We felt as though this information was important when considering **HB919 Maryland Insurance Commissioner – Specialty mental Health Services and Payment of Claims – Enforcement.**