

HEATHER BAGNALL  
Legislative District 33C  
Anne Arundel County



Annapolis Office  
The Maryland House of Delegates  
6 Bladen Street, Room 160  
Annapolis, Maryland 21401  
410-841-3406 · 301-858-3406  
800-492-7122 Ext. 3406  
Heather.Bagnall@house.state.md.us

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THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

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**HB1272 Maryland Insurance Commissioner Enforcement –  
Specialty Mental Health Services and Payment of Claims - Sunset Extension**

Madame Chair, Vice Chair, Members of the Senate Finance Committee,

In 2020 MDH started utilizing the services of Optum, an administrative service organization. The transition was tumultuous, resulting in delayed payments, wrongful claim denials, and multiple reconciliation issues. In 2021, an emergency bill was passed ensuring that the Maryland Insurance Commissioner will enforce a provision of code requiring administrative service organizations to pay claims on mental health services. This action was necessary after it was discovered that administrative service organizations were not paying out clean claims on mental health services, effectively preventing mental health organizations providing those services from operating. As this was a corrective measure, the 2021 bill was set to expire in two years. That bill expires this year; however, the situation concerning unpaid claims has not been resolved, and information presented at a recent briefing indicated that the need for corrective action remains. House Bill 1272 extends the sunset of the original act an extra two years, allowing the Maryland Insurance Commissioner to continue two years of work to ensure Maryland's mental health services are properly compensated for their work through the contract of the current administrative service organization.

The Maryland Department of Health and other agencies have reported concerns, which I have provided with my written testimony. Without this bill, mental health services are at risk of failing across the state as a result of unpaid claims. I respectfully ask for a favorable report on House Bill 1272.