HUMANIM INC.

SB 638
Maryland Insurance Commissioner – Specialty Mental Health Services and Payment of Claims – Enforcement
Senate Finance Committee
February 24, 2021

POSITION: FAVORABLE

My name is Karen Booth and I am the Vice President of Behavioral Health Services at Humanim, Inc. Humanim provides behavioral health services in Howard County and Anne Arundel County. I am submitting this written testimony on SB 638 to urge your support for this bill. Our organization serves over 300 individuals annually in our behavioral health division and has approximately 100 staff. A majority of the individuals we serve are publicly funded Medicaid patients.

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. We have met with the ASO leadership and, with their assistance, were able to fix some of our aging claims. Our concern moving forward is that system 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 that is needed. Optum's current dysfunction is reducing our revenue and increasing our costs. We have already been forced to re-direct resources away from treatment because additional staff time has been needed for administrative tasks caused by Optum's system issues.

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

- **Erroneous claims denials:** The limitations and errors in Optum's system mean claims are denied in error with high frequency. Optum's system (Incedo) also will skip charges in a monthly sequence and deny random claims with no explanation.

- **Reprocessed claims:** The substantial volume of claims denials, as well as a steady stream of claims paid at the wrong rate, mean that our agency has hundreds of claims reprocessed multiple times which has substantially increased the volume of work for our billing staff.

- **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 display different information than their claims processing system.

- **Customer Service**: The denials often do not have accurate or actionable denial reasons, requiring our staff to call to Optum customer service for each of these. Optum customer service staff lack the necessary training and consistently remit incorrect information, so each phone call lasts about 45-60 minutes and fixes only a handful of claims, if at all. Optum's phone lines also frequently disconnect calls and issue #s are not reliably provided to complaints so that they can be tracked or escalated. Staff often have to call about one authorization multiple times or submit multiple re-authorizations for clients. Authorizations, in addition to claims, are denied at a high rate for unknown reasons. Delayed authorizations mean delayed services at a time when people are often in need of immediate support.

- **Broken functions:** The search function in Optum's system has been broken since early November which has inhibited our ability to access the entirety of client and claims information we need--causing duplicate records, which in turn, causes more claims denials.

- **Authorizations:** For the first half of 2020, there was significant difficulty in submitting authorizations due to a system that was only partially functional. When the system started working in July 2020, albeit unreliably, all providers were forced to scramble to initiate authorization start dates of 7/1/20 which created a huge administrative burden on staff. As authorizations for services are required to be renewed every 6 months, these 7/1 authorizations had to all be re-authorized as of 1/1/21. These compressed time periods for submitting ALL authorizations rather than the staggered workflow our agency had previously– even with a grace period put in place by Optum due to the systems issues – meant that quality hours that should have been spent providing services to clients were diverted to administrative work. Communication of documentation requirements has also been poor, leading to frequent denials and re-submissions.

- **Insurance/Eligibility system issue:** Optum's system cannot accurately process multiple insurances or changes in client eligibility. The feature that enables eligibility to be retroactively processed does not, and has never worked, so Incedo can only display a client's most current entitlement information. This causes claims denials for services rendered before the client's most recent insurance change.

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.