

**House Bill 1272 Maryland Insurance Commissioner Enforcement - Specialty Mental Health
Services and Payment of Claims - Sunset Extension**

Health and Government Operations Committee

March 15, 2023

Position: SUPPORT

The Mental Health Association of Maryland is a nonprofit education and advocacy organization that brings together consumers, families, clinicians, advocates and concerned citizens for unified action in all aspects of mental health, mental illness and substance use. We appreciate this opportunity to present this testimony in support of House Bill 1272.

HB 1272 extends for two years the Maryland Insurance Commissioner's authority to enforce minimum performance standards for the Administrative Services Organization (ASO) responsible for managing the delivery of public behavioral health services.

In January 2020, the Maryland Department of Health transitioned administrative management of the public behavioral health system to a new vendor – Optum Maryland. To say the transition has been a challenge would be an understatement. Optum's IT system failed immediately, and years of chaos and uncertainty have followed.

Recent legislative hearings have highlighted Optum's continuing dysfunction. In early November the Maryland Insurance Administration briefed the legislature on findings from its Optum market conduct survey, which identified numerous violations of Maryland's prompt payment law. This was followed by a briefing in mid-November where the Office of Legislative Audits estimated that Optum's performance has cost the state \$500 million as a result of improperly denied claims, lost federal matching funds, and other costs or losses.

This is a situation that would be untenable in normal times. It is particularly disconcerting at a time of skyrocketing demand for treatment. Maryland has managed many of these vendor transitions over the past 20 years. Never before has the process been so dysfunctional and disruptive.

The additional enforcement mechanism extended by House Bill 1272 is a critical component in our efforts to ensure Marylanders with mental health and substance use disorders are able to access care during this time of increasing demand. For this reason, MHAMD supports this bill and urges a favorable report.

For more information, please contact Dan Martin at (410) 978-8865