

Corsica River Mental Health Services, Inc.

SB 638

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

Senate Finance Committee

February 24, 2021

POSITION: FAVORABLE

I am John Plaskon, the Executive Director at Corsica River Mental Health Services, Inc. We provide mental health and substance use services in Queen Anne's, Talbot, Caroline and Dorchester Counties. I am submitting this written testimony on SB 638 to urge your support for this bill. Our organization serves approximately 900 adults and youth every year, and we employ 33 individuals. A majority of the people 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. 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. 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 needed. Optum's current dysfunction is reducing our revenue and increasing our costs. We have already been forced to redirect resources away from treatment due to Optum. Without immediate enforcement, our agency faces continuing administrative burden and revenue losses.

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

- **Basic business revenue tools don't exist:** The ability to run reports, research claims, and reconcile payments - all basic revenue cycle management functions - are not available in Optum's system. Billing operations which used to be done electronically now require an enormous manual lift for our agency. We've been forced to significantly increase billing staff hours to try to keep up.
- **Erroneous claims denials:** The limitations and errors in Optum's system means claims are denied in error constantly. For instance, Optum's system cannot accurately process multiple insurances (Medicaid as secondary payer) or changes in client eligibility. All of these claims have denied since August when Optum's system went live after many months of not functioning at all. Additionally, the process to submit corrected claims is STILL not set up properly in Optum's system. These claims do not pay, and continue to deny. We are endlessly chasing our tail.
- **Customer Service:** Erroneous denials often do not have accurate or actionable denial reasons, requiring our staff to call to Optum customer service for each of these. Optum staff are poorly trained, resulting in our billing staff consistently having to educate *their* staff. Their customer service representatives consistently remit incorrect information, so each phone call lasts about 45-60 minutes and fixes only a handful of claims, if any. Optum's

phone lines are also notorious for disconnecting calls, and not reliably giving issue #s to complaints so they can be tracked or escalated. This often results in multiple attempts to contact customer service with no results, and at times, no successful contact at all.

- **Reprocessed claims:** The substantial volume of erroneous claims denials, as well as a steady stream of claims paid at the wrong rate, mean that our agency has hundreds of thousands of claims reprocessed 1, 2, 3 and sometimes TEN times. This means that instead of managing the billing for an agency that submits 1,800 services in a month, our billing staff are managing a revenue cycle equivalent to an agency 3 - 5 times our size.
- **Broken functions:** Optum's claims system is constantly malfunctioning. A few weeks ago, we lost the ability to download information on our service authorizations for 2 weeks. Our entire workflow stalled and backed up. Another example is the search function in Optum's system that has been broken since early November, inhibiting our ability to access the entirety of client and claims information we need--causing duplicate records, which in turn, causes more claims denials.
- **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, on top of doing their already full-time job. These reports do not match the receipts we have received or the billings we have submitted. Each report also does not match what is able to be pulled up inside their INCEDO system. This cumbersome process impacted our recent 6/30/2020 financial audits, delaying it for months (finalized 12/15/2020) which is first time a delay has happened in the 10 years Corsica River Mental Health Services, Inc. has been in business.

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. Thank you.