

## Crossroads Community, 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 Crossroads Community, Inc. We provide behavioral health services in Queen Anne's, Kent, 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 225 adults and youth every year, and we employ 68 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 to our organization 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 significant loss in revenue and continued increases in administrative burden.

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 add billing staff to keep up with the increased workload due to the inability of Optum's system to accurately and timely post claims data. For our psychiatric rehabilitation services, we are forced to manually count the encounter data inside INCEDO to ensure they have properly approved them before billing the case rate because Optum often processes them out of order, causing them to deny or pay at a lower rate. This delays our ability to submit case rate billings by at least two weeks, and thus delays payment by at least that long—often longer, as other errors occur once claims enter their system that we have not been able to find ways to avoid.
- **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 changes in client eligibility resulting in claims denials. Additionally, the billing correction process for certain service lines including respite care are STILL not set up properly in Optum's system, resulting in further claims denials. 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 and consistently remit incorrect information. Each phone call lasts about 45-60 minutes often requiring our billing staff to educate Optum's customer service associates, while only a handful of claims, if any, get corrected. Optum's customer support does not routinely provide issue #'s and often does not respond when messages are left, requiring billing staff to make multiple calls to get something resolved. The same is true for emails sent to Optum's Provider Relations department-- many go unanswered and issues remain unresolved.
- **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. What this means is that instead of managing the billing for an agency that submits 8,000 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 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, which 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 the first time a delay has happened for our agency since any ASO has been in place in the state of Maryland.

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.