



Leading
By Example

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

POSITION: FAVORABLE

I am Johnnie Fielding, and I am the Program Director and Co-Founder at Leading By Example. We provide behavioral health services in Baltimore County, Baltimore City, and Harford County. I am submitting this written testimony on SB 638 to urge your support for this bill. Our organization serves approximately 600 individuals and families every year, and we employ 65 individuals. The majority of the patients 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. This bill is urgent 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 needs higher than ever.

We have been working under Incedo; the current ASO's vendor for over a year. The Incedo platform fixes have not been delivered in the timeframes promised, and critical functions remain absent. Incedo 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 because of Optum. Without immediate enforcement, our agency faces significant financial losses that threaten our ability to service the most vulnerable communities.

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

- **Customer Service:** Customer service is consistently unreliable and time consuming. Calls for authorization issues often take 45 minutes, yield no immediate resolution to an inquiry, and result in escalation of the issue to higher Optum staff, delaying a response for days or weeks. Recently, we have been unable to set up new staff to access Optum's claims processing portal as a part of their basic job function, and Optum has been consistently unresponsive in resolving this matter that is imperative to our functioning.
- **Reprocessed claims:** In March 2020, Optum released a new fee schedule which included new rates for Therapeutic Behavioral Services (TBS) effective 1/1/2020. Optum supported our billing team in reprocessing claims from the prior months to retroactively pay the services delivered between January and March at the new rate. However, in July 2020,

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Optum informed us that they made an error on the March 2020 fee schedule and that they believe they overpaid us for services provided during that time period. Consequently, they intend to retract and recoup any overage of funds that was paid to us during that time period. This recoupment could be catastrophic for our organization, and Optum has not responded to our efforts to resolve this error with any consideration of the significant impact their error in releasing incorrect rates to the public, will cause our organization. This issue is demonstrative of the consistent ineffectiveness of Optum, as well as the continued failure to resolve issues.

- **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 yet display different information that their claims processing system. This has impacted our recent financial audits and forced our agency to pay taxes on funds that they intend to recoup.

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.

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