



SB 638

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

Senate Finance Committee

February 24, 2021

Position: FAVORABLE

I am Cari Guthrie Cho, and I am the President and CEO at Cornerstone Montgomery. We provide behavioral health services in Montgomery County. I am submitting this testimony on SB 638 to urge your support for this bill. Our organization serves approximately 2500 people a year and we employ 330 individuals. Most of the people we serve are publicly funded Medicaid patients.

SB 638 authorizes the Maryland Insurance Commission to enforce minimum performance standards for the Administrative Services Organization (ASO) that is responsible for managing care and paying claims in the Maryland public behavioral health system. This bill is urgent because immediate action is needed to stop the unprecedented incompetence and damage that has been happening for the last year. The current ASO vendor transition has been a disaster from day 1. The system is not stable nor operating at the level that is necessary for the behavioral health system to function. Fixes have not been delivered in the timeframes promised and critical functions remain absent. Without immediate enforcement, our agency faces major cash flow disruption which will lead to staff not getting paid, program closures and thousands of clients without support in the community.

The following are just some of the issues that we are still dealing with at Optum.

1. **Claims Denial** – Claims are being denied constantly. Our billing people are being told when they call about claims denied incorrectly by Optum, not provider error, that they have 14 days to reprocess from report. This is an issue because if it's a psychiatric rehabilitation program (PRP) that is affected, it could be 5 weeks to get payment on what was technically a clean claim. Outpatient mental health center (OMHC) claims, which usually pay in about a week, are delayed by at least 3 weeks. This is a huge issue in terms of administrative burden and cash flow.
2. **Authorizations** – The Incedo authorization system has operated sporadically, at best. It is unable to process authorizations for the uninsured or to differentiate among various payers (such a Medicare). Incedo's limitations have created an enormous burden on providers who must submit and resubmit auth requests. And of course payment is withheld or delayed until the authorization problems are fixed. Although Incedo's malfunction is at fault, providers take the hit.

I could detail many more shortcomings of Optum's system but they are beyond the scope of this bill. Suffice it to say that the issues with Optum are current and ongoing, and that their processes are extremely unreliable. As a result we can't forecast our cash receipts and we can't create electronic claims status reports because Optum's data is so poor that it requires manual review. In short, we don't have the tools needed to run our business, and Optum seems oblivious to the burden and financial risk their system has placed on providers.

This is an administrative and financial nightmare. Our organization – like many other community behavioral health providers - lives check to check - we can't afford to have late payments or no payments without jeopardizing payroll and ultimately access to services for people in need. Where will those people go? Homeless shelters, hospitals, and jails are already overburdened.

We have operated under four other ASOs that have NEVER been this bad. We have never experienced the level of mistakes, lack of communication, and incompetence that we have over the last year and a half. The thought of four more years of Optum's dysfunction is unconscionable.

Please urge you to support SB 638 so that Optum can be held accountable to its statutory requirements.

Respectfully submitted, Cari Guthrie Cho, CEO and LCSW-C