



Upper Bay Counseling & Support Services

SB 638

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

POSITION: FAVORABLE

I am Suanne Blumberg, and I am the Chief Executive Officer at Upper Bay Counseling & support Services. We provide mental health and substance use services in both Cecil and Harford Counties. I am submitting this written testimony on SB 638 to urge your support for this bill. Our organization serves approximately 4700 clients every year, and we employ 180 individuals. A 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. The bill is emergency 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 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 to. 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 will lose financial stability needed to continue provide the array of services to the clients we serve, and ensure access to those who will need our support in the future.

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 hire additional billing staff to keep up. We are also at risk of losing our billing manager who has worked for UBCSS for 28 years due to burnout from the substantial workload required to manage Optum's system.

Helping Individuals - Strengthening Families - Uniting Communities

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- **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 than their claims processing system. Just last week, our billing manager had to manually review and match 100 pages of claims to our submitted billing because of a coding error in Optum's file receipts. That was not the first time she had to do this for UBCSS to be able to balance our books, and it is unlikely to be the last.

The financial impact on our organization has been astronomical. As of 1/31/21 we have **\$911,411 AR over 30 days**. As of 1/31/21 our **AR at 121+ days was \$796,512** or 53.9% of Medicaid receivables. For comparison, under the previous ASO, that number was 3-5%, and the issue causing that small percentage of unpaid claims was both easily identifiable and easily remedied. The performance of Optum is unacceptable and will kill our organization financially. It has already taken a brutal toll on our staff morale, as the workload is simply unsustainable. I live in fear of having to replace my billing manager and train a new person (likely several new people) to manage the constant stream of erroneously denied claims, unannounced process and policy changes, and wide-ranging errors caused by this ASO that have now become a part of the job description.

As the leader of an agency organized to support those who are most vulnerable in our community, we cannot afford to be so deeply vulnerable ourselves. We will remain so, however, unless Optum is held accountable for operating a working system. I am asking for your help to provide the oversight needed to help us regain a working billing system so we can keep our doors open and return to the business and getting and keeping people well. I urge you to act now to preserve Maryland's treatment capacity and vote a favorable report on SB 638.