OUTPATIENT MENTAL HEALTH PROGRAMS

RESIDENTIAL CARE AND PSYCHIATRIC REHABILITATION

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

**POSITION: FAVORABLE**

I am Russ Weber, and I am the CEO at Key Point Health Services, Inc. We provide behavioral health services in Harford County, Cecil County, Baltimore County and Baltimore City. I am submitting this written testimony on SB 638 to urge your support for this bill. Our organization serves approximately 3000 clients every year, and we employ 270 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 required for our agency to operate effectively. Optum's current dysfunction is reducing our revenue and increasing our costs. We have already been forced to redirect resources away from treatment and toward billing and administrative functions in order to keep our organization afloat due to Optum's systemic dysfunction. Without immediate enforcement, our agency faces the possibility of having to hire additional staff to meet the added workload Optum continues to place on providers of essential community behavioral health services. Payments remain so inconsistent that it is very difficult to forecast and budget for 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 need to be able to run reports through Optum's portal to retrieve data integral to managing our business operations and finances. The inability to do this places significant and tedious burden on our billing department to individually track authorizations, eligibility and claims that have been reprocessed dozens of

times. We are managing without the most basic ability to export and analyze bulk data as Optum's system only allows a provider to see a max of 500 claims per inquiry, and Key Point bills thousands of claims weekly.

- **Erroneous claims denials:** The limitations and errors in Optum's system mean claims are denied in error constantly. For instance, Optum's system cannot accurately process multiple insurances or changes in client eligibility. Key Point currently has hundreds of claims which have denied as "duplicate claims," which were submitted only once. We also have a substantial volume of "black hole" claims which never made it into Optum's claims portal despite receiving a receipt stating our batches of claims have been accepted.
- **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, so each phone call lasts about 45-60 minutes and fixes only a handful of claims, if at all. 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. The dates on Optum's checks are often incorrect and do not reflect that date claims were actually paid. Optum's customer service is unable to provide us this information, and refer us to various other departments where we receive no further clarity on such questions. This is illustrative of our experience overall, where Optum online portal doesn't provide us key information and our attempts to obtain it through their customer service and provider relations departments yield no further information.
- **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 10 times. What this means is that instead of managing the billing for an agency that submits 10,000 services in a month, our billing staff are managing a revenue cycle equivalent to an agency much larger than ours.
- **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, which still yet display different information that their claims processing system. ***This has impacted our recent financial audits and forced our agency to increase our line of credit to protect our payroll and operating expenses.*** Key Point is still waiting on Optum to provide us with over 100 missing electronic payment files so we can begin to work on our reconciliation process. This request was made in October 2020.

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.