

MARYLAND FAMILY RESOURCE, 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 Michael Mills, and I am the President and CFO at Maryland Family Resource, Inc. We provide behavioral health services in Prince George’s County and the surrounding area. I am submitting this written testimony on SB 638 to urge your support for this bill. Our organization serves approximately 1,000 consumers every year. A majority of the consumers 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. 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 severe financial hardship and operational constraints limiting our ability to serve the needs of our consumers.

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 or are not functioning properly in Optum’s system. Our billing and reconciliation operations, which used to be done electronically, now require an enormous amount of manual processing for our agency.
- **Customer Service:** Responsiveness to emails and calls has been substandard and unreliable. Denials often do not have accurate or actionable denial reasons, requiring undue burden on our staff to repeatedly call Optum’s customer service to inquire about each claim. Optum’s customer service representatives consistently remit incorrect information, so a phone call lasts approximately 45 minutes or longer and may only fix only a handful of problems, if any. Since we are regularly given incorrect information, our staff feel obligated to follow-up with multiple representatives at Optum to verify if we’ve received the correct information in order to avoid further errors and problems.
- **Training Webinars:** Optum offers basic training webinars with minimal frequency that do not effectively prepare staff to perform the billing and authorization processes that they

encounter via the online interface. These trainings also often deliver incorrect or outdated information.

- **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. Under Optum, reconciliation has been an arduous process. Our billing staff is manually reconciling claims from reports remitted by Optum, which do not match the billing statements we have received, which still yet display different information than their claims processing system. This has impacted our recent financial reports and audits, and has forced our agency to pay out on claims we have yet to fully adjudicate or resolve. In addition, we have contacted Optum numerous times in the past six months requesting assistance with reconciliation questions, and have received multiple auto-generated responses, which provide no help to our specific inquiries.

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.