



SB 549

Administrative Services Organizations – Requirements for Retraction, Repayment, or Mitigation of Claims

Senate Finance Committee

February 16, 2022

POSITION: FAVORABLE

Senator Kelley and members of the Senate Finance Committee, thank you for taking the time to hear my testimony in support of Senate Bill 549.

I am Chandra Chester, Vice President at Families First Counseling and Psychiatry. We provide behavioral health services in Baltimore City, as well as Howard, Prince George's, and Montgomery counties. Our organization serves approximately 1,800 clients every year, and we employ 103 individuals. Most of the patients we serve are publicly funded Medicaid patients.

Families First Counseling and Psychiatry has been severely impacted by the administrative service organization, Optum, which took over as the ASO as of January 1, 2020. Since Optum took over, it has been unable to correctly adjudicate claims for services that Families First has provided to its clients.

Due to the inaccuracy of the information received from Optum, Families First was forced to hire additional staff, pay overtime, and overwork our staff. As we have shouldered these additional expenses, we have had to restructure and cut positions. We have clients with mental health needs ranging from trauma to psychosis on a waitlist due to having to downsize and not having enough therapists to serve them. Referring clients out isn't an option in most cases because many clinics across Maryland are dealing with the same crisis.

In December 2021, Families First received a demand letter for the first phase of recoupment. Our figures are far lower than Optum's, but Optum provided no documentation to justify their amount and help us understand how they arrived at their figure. This month, we have received new information that the amount has gone up, but we have again received no support for the change. Before any amount is recouped we need all of our claims to be correctly adjudicated and accounted for. Passage of SB 549 will ensure that this basic step occurs, and provides a critical independent auditor to review disputes.

The combination of COVID and Optum has negatively impacted our workforce and the clients we serve. The Surgeon General recently issued a historic advisory describing the "devastating" impact that COVID has had on youth mental health. We need to meet our community's need for treatment, and for that reason I ask you to support SB 549 and debt relief for providers.