



SB 549 – Administrative Services Organizations – Requirements for Retraction, Repayment, or Mitigation of Claims

Committee: Finance

Date: February 16, 2022

POSITION: Support

The Maryland Coalition of Families: Maryland Coalition of Families (MCF) helps families who care for a loved one with behavioral health needs. Using personal experience, our staff provide one-to-one peer support and navigation services to family members with a child, youth or adult with a mental health, substance use or gambling issue.

MCF strongly supports SB 549.

Ever since Optum took over as Maryland's Administrative Services Organization in January 2020, the providers who offer behavioral health services have been negatively impacted. Optum's system immediately failed, forcing the state to step in with estimated payments while giving Optum more time to develop a working system. Up to this day, there remain problems with Optum's technology – inappropriate denials that require a substantial amount of additional paperwork to correct and underpayments continue to plague the system.

Now, Optum is seeking to reclaim some \$200 million dollars from the estimated payments that had to be made because of their faulty system. They are undertaking this effort without yet having a well-functioning system, without adequate documentation, and without accounting for the additional costs that its dysfunction has imposed on providers.

SB 549 would ensure that providers be protected from Optum recouping funds without adequate justification and documentation. In addition, it would ensure that the state not have to pick up the tab in an effort to correct Optum's many failures. To this day they have been held to little accountability.

Therefore we urge a favorable report on SB 549.

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