

**Senate Bill 549 Administrative Services Organizations – Requirements for Retraction,  
Repayment, or Mitigation of Claims**

Finance Committee

February 16, 2021

**Position: SUPPORT**

The Mental Health Association of Maryland is a nonprofit education and advocacy organization that brings together consumers, families, clinicians, advocates and concerned citizens for unified action in all aspects of mental health and substance use disorders (collectively referred to as behavioral health). We appreciate the opportunity to provide this testimony in support of Senate Bill 549.

SB 549 is an emergency bill requiring Optum – the state’s current administrative services organization (ASO) for public behavioral health services – to meet certain requirements before it can retract or require repayment for certain claims submitted by mental health and substance use providers. If Optum is unable to comply with these requirements they must retain an independent auditor to determine any amounts owed by providers. The bill also allows providers to request an independent auditor at Optum’s expense to resolve differences regarding amounts owed, following reasonable efforts to reach resolution with Optum. Lastly, it requires the Maryland Department of Health (MDH) to report to the legislature on plans to forgive any provider balances that resulted from service disruptions due to COVID-19.

Over two years have passed since Optum took over as ASO for the state’s public behavioral health system, and Maryland providers are still struggling to navigate the company’s faulty claims payment system. The Maryland General Assembly passed legislation and enacted budget language in 2021 to increase accountability and oversight of Optum, but the challenges persist. In September, the Maryland Behavioral Health Coalition sent a letter to Governor Hogan detailing these challenges and pleading for a fix, yet not a single one of the enumerated system failures has been completely resolved. That letter, which was co-signed by over 120 organizations, is attached to this testimony.

Now, mental health and substance use providers face the prospect of paying back an unverified differential in estimated payments that were made for several months to keep the public behavioral health system afloat when Optum’s IT system crashed immediately upon launching in January 2020. These recoupment plans are moving forward despite the lack of reliable data to reconcile historical payments and services.

This is a situation that would be untenable in normal times. However, it is particularly disconcerting at a time of skyrocketing demand. The need for mental health and substance use treatment is at an all-time high, yet our behavioral health providers are finding they must spend enormous time and resources attending to an administrative failure not of their making.

**For these reasons, MHAMD supports Senate Bill 549 and urges a favorable report.**

*For more information, please contact Dan Martin at (410) 978-8865*

# *Maryland Behavioral Health Coalition*

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September 28, 2021

The Honorable Larry Hogan  
Governor of Maryland  
100 State Circle  
Annapolis, MD 21401

Dear Governor Hogan,

In the midst of the greatest health care crisis in the United States in a century, which has been accompanied by rising mental illness and addiction, alarming suicide rates, and increased opioid deaths, the basic functionality of Maryland's Public Behavioral Health System (PBHS) remains broken due to the selection in 2019 of a faulty IT vendor. As we approach two years of basic claims payment system failure, we are again writing with a desperate plea to you to take direct action to fix this solvable problem. Attached are copies of our prior correspondence, dating back to April 2020.

After 21 months:

- Claims receipts and payments remain missing
- Insurance coverage and Medicaid eligibility functions do not work and continue to cause erroneous claims denials
- Contractual turn-around times for authorization approvals are missed, delaying services to consumers
- Guardrails preventing multiple authorizations by different providers for the same service do not exist, so services are routinely rendered by authorized providers and not paid
- Plans for the recoupment of unverified overpayments continue to move forward despite the lack of reliable data to reconcile historical payments and services
- Manual interventions to address claims processing failures are plagued by insufficient staffing, resulting in missed deadlines and vendor failure to meet contractual system performance standards
- Optum continues to not be held accountable for contract deliverables

In short, this is a mess. It is clear the Incedo system will never be properly functional and needs to be discarded. And it is likely that reconciliation of estimated payments and claims may not be fully possible due to the extreme dysfunction of the Incedo system.

Failing to act now only increases the likelihood of increased negative impact on the public and the providers who serve them in this time of great need.

This is not the first time an IT vendor has delivered a product with disastrous results, an issue we all are familiar with in today's world, and it won't be the last. Times are hard and we have no interest in casting blame anywhere. We appreciate the impact of COVID 19 on the Health

Department's operations and are well aware that the state government workforce has been impaired in its wake. We appreciate your leadership, Secretary Schrader's leadership and the entire MDH team's responsiveness with respect to COVID 19.

What is heartbreaking about this unfortunate situation is that Maryland's PBHS is among the highest rated in the nation and was poised to move forward with a system transformation effort to advance value-based purchasing using best practice measurement-based care tools, ensuring results-based accountability and incentives promoting the most effective care for those in need. Instead, modernizing the system has been shelved, while our community providers continue to act heroically to serve their clients, amidst increasingly precarious circumstances.

Of utmost importance to us is a commitment that Optum be held financially accountable in any reconciliation effort and that consumers and providers be held harmless as the state moves forward with these plans.

**On behalf of the 122 undersigned organizations, we are requesting a meeting with you at your earliest convenience.** We wish to share our concerns, discuss solutions and offer our partnership to eliminate this problem.

Thank you for your attention to this issue and request.

Sincerely,

Acadia Healthcare Maryland Clinics  
Advantage Psychiatric Services  
Archway Station  
Arrow Child and Family Ministries  
Arundel Lodge  
Aspire Wellness Center  
Awakenings Recovery Center  
Baltimore City Substance Abuse Directorate  
Baltimore Crisis Response, Inc. (BCRI)  
Baltimore Harm Reduction Coalition (BHRC)  
Baymark  
Bayside Recovery  
Behavioral Health System Baltimore (BHSB)  
Board of Child Care  
Born Free Wellness Centers of America  
Brain Injury Association of Maryland (BIAMD)  
Brantwood Family Services  
Carroll County Youth Service Bureau  
Catholic Charities  
Center for Children  
Change Health Systems

Channel Marker  
Charles County Freedom Landing  
Chesapeake Voyagers  
Children's Guild  
Community Behavioral Health Association of Maryland (CBH)  
Community Connections  
Community Residences  
Cornerstone Montgomery  
Corsica River Mental Health Services  
Crossroads Community  
Eastern Shore Behavioral Health Coalition (ESBHC)  
EveryMind  
Families First Counseling and Psychiatry  
Family Services Foundation  
For All Seasons  
Foundations Recovery Center  
Frederick Institute  
Fresh Start Recovery Center  
Garrett County Lighthouse  
Go-Getters  
Goodwill Industries of the Chesapeake (STEP)  
Greater Washington Society for Clinical Social Work (GWSCSW)  
Harford Belair Community Mental Health Center  
Head Injury Rehabilitation and Referral Services (HIRRS)  
Hope Health Systems  
Humanim  
Hudson Behavioral Health  
Institutes for Behavioral Resources (IBR)  
James' Place  
Jewish Social Services Agency  
Key Point Health Services  
La Clinica del Pueblo  
Leading By Example  
Legal Action Center (LAC)  
Licensed Clinical Professional Counselors of Maryland (LCPCM)  
Life Renewal Services  
Lower Shore Clinic  
Maryland Addiction Directors Council (MADC)  
Maryland Association of Behavioral Health Authorities (MABHA)  
Maryland Association for the Treatment of Opioid Dependence (MATOD)  
Maryland Chapter, American Academy of Pediatrics (MDAAP)  
Maryland Clinical Social Work Coalition (MCSWC)  
Maryland Coalition of Families (MCF)  
Maryland-DC Society of Addiction Medicine (MDDCSAM)  
Maryland Hospital Association (MHA)

Maryland Psychiatric Society (MPS)  
Maryland Psychological Association (MPA)  
Maryland Public Health Association (MdPHA)  
Maryland Rural Health Association (MRHA)  
Mary T Maryland  
Medmark Treatment  
Mental Health Association of Maryland (MHAMD)  
Mental Health Association of Frederick County  
Mental Health Center of Western Maryland  
Mid Shore Behavioral Health (MSBH)  
Mindful Healing Works  
Montgomery County Federation of Families for Children's Mental Health  
Montgomery Recovery Services  
MSA the Child and Adolescent Center  
National Alliance on Mental Illness, Maryland Chapter (NAMI Maryland)  
NAMI Metro Baltimore  
NAMI Carroll County  
NAMI Frederick County  
NAMI Harford County  
NAMI Howard County  
NAMI Kent and Queen Anne's  
NAMI Lower Shore  
NAMI Montgomery County  
NAMI Prince George's County  
NAMI Southern Maryland  
National Council on Alcoholism and Drug Dependence, Maryland Chapter (NCADD Maryland)  
New Journey  
On Our Own of Maryland (OOOMD)  
Parker Psychiatric Services  
Partnership Development Group (PDG) Rehabilitation Services  
Pathways  
People Encouraging People (PEP)  
Phoenix Health Center  
Pro Bono Counseling Project  
Prologue  
Psychotherapeutic Treatment Services  
Reginald Lourie Center for Children's Social and Emotional Wellness  
Rehabilitation Systems, Inc.  
Serenity Health  
Seventy Times Seven Wellness Mission  
Sheppard Pratt  
Silverman Treatment Solutions  
Southern Maryland Community Network  
Starting Point  
Step by Step of Maryland

Thrive Behavioral Health  
Transformation Health  
Trauma Informed, Inc.  
University of Maryland Medical Center (UMMS) Community Psychiatry Division  
Upper Bay Counseling and Support Services  
Vesta  
Voices of Hope  
Volunteers of America  
Washington Pain Center  
Wells House  
WIN Family Services

cc: Boyd Rutherford, Lieutenant Governor  
Dennis Schrader, Secretary, Maryland Department of Health  
Aliya Jones, M.D., Deputy Secretary for Behavioral Health  
Steve Schuh, Deputy Secretary for Health Care Financing and Medicaid