



SB 549

Administrative Services Organizations – Requirements for Retraction,  
Repayment, or Mitigation of Claims  
Senate Finance Committee  
February 14, 2022

**Position: Favorable**

I am Heather Collins, Executive Director of J. David Collins & Associates LLC, which has offices in Salisbury, Cambridge, and Princess Anne. Our team of 22 employees serves more than 300 Medicaid participants at any point during the year. As you well know, the transition to Optum as the ASO for the Public Mental Health System in January of 2020 has been an ongoing debacle. Optum was not prepared to assume the responsibility and did not have the systems nor personnel in place to operate as the ASO. We have worked diligently over the past two years to operate within their broken system and processes. The system continues to be cumbersome, delay authorizations and incorrectly deny claims for services provided.

These failures lead directly to the problems with reconciliation.

The reports that Optum has provided to date are incomplete and inaccurate. Optum has the expectation that we, as the providers, will review their incorrect denials and communicate the necessary information to refute their denials. The estimated time to review the current reports exceeds 200 work hours. Prior to 2020, we had fewer than 20 denials at a time. We currently have more than 1,800 denials of which Optum has denied payment.

We have provided these services in good faith, and the payments should be approved. The responsibility should not be on the provider to defend our claims against the broken Optum system, it is not possible for us to do this and continue to manage our regular job requirements.

We had hired an outside contractor to assist us at the beginning of the reconciliation process, but after paying them \$6,500 and being no closer to being reconciled, we ceased utilizing their services.

Our organization has had 3 reconciliation specialists in the past 18 months. Each time a new specialist is assigned by Optum, we start the entire process over. We are required to explain all the open issues and re-state all the questions that we have been asking.

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As an example, we have been asking specific questions about our incorrectly denied Nurse Practitioner claims for 14 months. We have received no answers, and just last month, we were asked to explain our obvious questions and challenges for a 4<sup>th</sup> time to our 3<sup>rd</sup> reconciliation specialist.

When we send an email to our reconciliation specialist, the only acceptable mode of communication, we receive an automated response that their reply will come in 3 to 5 days due to the high workload they are facing. The reconciliation process as it is structured will never work, and it has taken my focus off leading my business for over a year. Every minute I spend defending our claims and challenging the incorrect information received is a minute that I am not supporting my team, supervising the quality of our current services and developing new programming. I do not have an extra 30 hours per week to focus on the reconciliation process that will never bring us to an accurate reconciliation.

Optum is telling us that we owe them \$305,000. This is wrong. We have been overpaid less than \$50,000. If they begin to take back the incorrect amount by retracting current payments, we will be forced to close one of our three locations, limit services in our other two locations and decrease staffing. I will personally have to liquidate personal assets to make payroll. It is not unrealistic to believe that we could cease to operate in all three counties that we serve.

In addition to the incorrect overpayment calculation, we estimate that we have spent \$70,575 in hourly costs managing the Optum debacle. These are also hours that are not spent providing support to our clinical teams and our clients.

Optum must be held accountable for their inability to perform and there must be debt relief for the providers who have had to navigate this lack of performance. Please support SB 549/HB 715 and behavioral health debt relief.