



Maryland Addiction Directors Council

February 14, 2022

Senate Finance Committee

Testimony in Support of

SB 549 – Administrative Services Organizations – Requirements for Retraction, Repayment, or Mitigation of Claims (Accountability for Optum)

Maryland Addictions Directors Council (MADC) represents outpatient and residential substance use disorder (SUD) and dual recovery treatment across Maryland. Our members provide over 1,000 residential treatment beds across the state. MADC strongly supports accountability for Optum and debt relief for the mental health and addiction providers who have struggled over the last two years to manage the Optum failure to launch then endless other problems with the Optum system. MADC providers are at the forefront of the Opioid Epidemic as well as managing the Covid pandemic during this same 2-year period.

In January 2020, Optum launched as the State vendor responsible for paying claims for publicly funded behavioral health services. Optum's system could not launch, leaving providers with no means to bill and receive payment from the public behavioral healthcare system. This forced the State to step in with estimated payments while giving Optum more time to deliver a working system.

In March 2020, the Covid pandemic hit Maryland causing disruption across behavioral healthcare. The Opioid Epidemic, the Covid Pandemic and Optum's poor performance resulted in behavioral health providers struggling with underpayments and additional costs as Optum's technology continued to fail.

For the past 2 years Optum has been unable to accurately report on claims and payments resulting from the failure to launch in January 2020. Providers have

(over)

been handed spreadsheets with tens of thousands to hundreds of thousands of lines of claims from Optum's system that providers have had to struggle to sort through by hand. This was due to the public behavioral health vendor for claims payment not functioning properly. None of these issues existed with any of the previous ASOs, of which there had been several.

Now Optum is initiating a process to recoup over \$200 million from providers, without getting claims paid correctly, without adequate documentation, and without accounting for the additional costs its dysfunction has imposed on providers. MADC therefore strongly supports:

- Accountability for Optum and debt relief for providers by supporting SB549/HB715. After 2 years, providers should be able to receive claims information and documentation basic to a functioning system that documents proposed recoupment.
- Debt relief to offset the financial impact on providers of Optum's dysfunction on top of COVID. This one-time budget allocation will allow providers to preserve treatment capacity to address Maryland's Opioid Epidemic and rising mental health crisis.

In closing, thank you for the opportunity to offer written testimony. Maryland Addictions Directors Council strongly supports SB 549/HB715.

Sincerely,

Craig Lippens

Craig Lippens
President, MADC