



SB 549  
Administrative Services Organizations – Requirements for Retraction, Repayment, or Mitigation  
of Claims  
Senate Finance Committee  
February 16, 2022

**POSITION: FAVORABLE**

My name is Mike Drummond, and I am the Executive Director at Arundel Lodge, which serves the City of Annapolis, Anne Arundel County and beyond. Arundel Lodge provided mental health and substance use services to over 3000 individuals, ages 3 to older adults, in 2021. We provide outpatient treatment services at our main location on Solomons Island Road, on Bay Ridge Avenue in the City of Annapolis, and at our new Urgent Care Clinic in the Sajak Pavilion on the Luminis AAMC campus. We also operate programs for residential housing, psychiatric rehabilitation, supported employment, and specialized services for transitional-aged youth.

I am submitting this testimony in support of SB549 because Optum Maryland continues to wreak havoc on public behavioral health providers due to its inability to reliably process authorization requests and claim payments. Optum continues to incorrectly deny claims and pay them at the wrong amount. We are continually reprocessing claims multiple times because of their errors, which diverts our attention and vital resources away from client care.

Amidst this ongoing dysfunction, in December, Optum and MDH attempted to begin the recoupment process for a bucket of duplicate payments they issued even though they were incapable of providing the specific claims paid twice. Make no mistake – Arundel Lodge did not bill the claims twice and will return all of the duplicate payments made because of Optum’s incompetence. However, Optum has, to date, not provided any documentation showing which claims constitute the duplicate payments, and the volume of claims reprocessed again and again makes it incredibly challenging for providers to identify these claims. Additionally, the volume of erroneous claims retractions we have seen occur without explanation makes it unconscionable to expect repayment without itemization of the specific claims paid

twice. We are now told that an itemized report will be available by February 15<sup>th</sup>, but it remains to be seen whether this report will deliver the information required. Still looming is the much larger issue of reconciling the first 7 months of the contract when estimated payments were paid to providers because Optum's system failed outright and was incapable of providing any authorizations or payment for claims.

Arundel Lodge needs your help. The passage of SB549 can ensure protections for providers in the reconciliation and recoupment process, and will seek debt relief for providers hit simultaneously by Optum chaos, COVID, and an unprecedented workforce crisis. I ask for a favorable report on SB549.

Thank you for your consideration.