



MID-ATLANTIC ASSOCIATION OF
COMMUNITY HEALTH CENTERS



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TO: The Honorable Delores G. Kelley, Chair
Members, Senate Finance Committee
The Honorable Augustine Malcom

FROM: Danna L. Kauffman
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DATE: February 16, 2022

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

On behalf of the Maryland State Medical Society, the Mid-Atlantic Association of Community Health Centers, and the Maryland Clinical Social Work Coalition, we submit this letter of **support** for Senate Bill 549. Senate Bill 549 requires the State’s administrative service organization to provide certain information to a health care provider that delivered specialty mental health services under the Medicaid program during specified dates prior to retracting, requiring repayment of, or seeking mitigation of a claim. The bill also provides a process for non-compliance by the administrative service organization.

Senate Bill 549 is a direct result of the inability of the State’s administrative service organization (Optum) to process claims or pay health care providers for services rendered since inception on January 1, 2020. As a result, the Maryland Department of Health has had to resort to making advanced, but estimated payments, to health care providers based on historic 2019 billing data that did not account for the impacts of the COVID-19 pandemic. This has now placed health care providers in the precarious position of having to pay back the difference between the estimated payments and the claims amount submitted. In a functioning system, this would be a complicated process; however, because Optum’s system continues to malfunction, providers are at a disadvantage during a time when a greater number of individuals are seeking behavioral health services.

Therefore, Senate Bill 549 requires Optum to give health care providers the tools needed to substantiate the processing of claims. Health care providers should not be disadvantaged due to the failure of Optum (and the State) to employ a workable billing and claims processing system. Therefore, we urge the Committee to vote favorably on Senate Bill 549.

For more information call:

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