

**House Bill 715**  
**Administrative Services Organizations –**  
**Requirements for Retraction, Repayment, or Mitigation of Claims**  
Health and Government Operations Committee  
March 2, 2022

**Favorable**

Catholic Charities of Baltimore strongly supports House Bill 715, which would require the Administrative Service Organization to provide basic documentation establishing an overpayment before recouping funds or adjusting/denying claims for services provided

Inspired by the Gospel to love, serve and teach, Catholic Charities provides care and services to improve the lives of Marylanders in need. For almost 100 years, Catholic Charities has operated programs that allow Marylanders to age with dignity, obtain empowering careers, heal from trauma and addiction, secure stable housing and welcome new neighbors. Catholic Charities is accustomed to complying with the regulations, policies, billing practices, and other intricacies of our numerous local, state and federal funders. We thought we had seen it all, but never in the history of our organization have we experienced a complete failure of operations comparable to the Optum launch, which began on January 1, 2020.

All of our behavioral health encounters are billed through Optum. During the first seven months of operations, Optum was not able to properly process any claims for us or for any other provider. Providers instead received estimated payments arbitrarily based on the prior year's volume. This is despite the fact that the pandemic forced us into a completely different model of service delivery. In addition to the estimated payments, Optum sent us a live check for \$1.4 million in claims billed during that same period; in essence a duplicate payment. They have been unresponsive to our request to return the \$1.4 million to the State.

Optum has not been able to give providers the tools necessary to identify claims that have been paid or not paid, claims that were denied for legitimate reasons that need to be reprocessed, how much money we might owe the state, or how much the state may owe us. These are basic functions of any billing system, and functions past ASO's were able to deliver. Unfortunately, the failure of Optum has resulted in a 26-months long diversion of significant Catholic Charities' resources and created a significant lack of clarity in our financial records, the latter causing difficulties completing our annual external audit for the past two years and now again for the current fiscal year. Furthermore, the magnitude of this situation has now become part of the regular conversation with our Board of Trustees, and our leadership is greatly concerned. Routine accounting processes should never have to rise to such a level of oversight within any organization.

Catholic Charities is prepared to return any overpayments. However, our calculated overpayment amount is different from Optum's calculation. Optum cannot back up their calculation with documentation, so we are left in a stalemate.

It has been over two years since Optum took over as the ASO. Optum should be accountable for providing the appropriate documentation for overpaid claims. HB 715 would require Optum to provide that documentation before recouping and purported overpayments. **Catholic Charities of Baltimore appreciates your consideration and urges the committee to issue a favorable report for House Bill 715.**

Submitted By: Regan Vaughan, Director of Advocacy