



Testimony on HB 715
Administrative Services Organization – Requirements for Retraction,
Repayment, or Mitigation of Claims
House Health & Government Operations Committee
March 2, 2022
POSITION: SUPPORT

The Community Behavioral Health Association of Maryland (CBH) is the leading voice for community-based providers serving the mental health and addiction needs of vulnerable Marylanders. Our 95 members serve the majority of those accessing care through the public behavioral health system. CBH members provide outpatient and residential treatment for mental health and addiction-related disorders, day programs, case management, Assertive Community Treatment (ACT), employment supports, and crisis intervention.

HB 715 is about bringing accuracy and transparency to a process caused entirely by Optum's dysfunction. On January 1 of 2020, Optum's authorization and claims payment system went live. It was unable to perform these critical functions, and the Maryland Department of Health (MDH) was forced to make advance – or estimated – payments to providers to keep them afloat through August 3, 2020. These estimated payments were based on historic 2019 billing data and did not anticipate the impacts of COVID on service delivery and utilization. Providers were urged to keep serving individuals in need and to submit claims for services, even though estimated payments would replace fee-for-service reimbursement until such time as Optum's system was functional enough to go live again.

Now - two years later – providers face the prospect of paying back the difference between estimated payments and the amount of claims submitted during the estimated payment period. This process is complicated not only due to the downturn in service volumes caused by COVID but also because Optum's system continued to malfunction. Individual claims were reprocessed multiple times, many were erroneously denied, some were lost in Optum's system, and others still sit unprocessed after all this time. There is no way for providers to check Optum's math in terms of what they owe unless all claims submitted during the estimated payment period are correctly processed and Optum provides a report detailing each claims' full history of processing and reprocessing.

This bill requires Optum to meet industry standards for processing claims and providing transparency before they can recoup monies from providers. If Optum is unable to meet these standards they are required to hire – at their own expense and without using State funds – an independent auditor to determine actual amounts owed. The bill also allows providers to request an independent auditor - paid for by Optum - if they can't reach agreement with Optum on the amount owed, after reasonable efforts to do so.

The final provision of the bill is a requirement that MDH report back to the policy and budget committees on the amounts providers owe back due to the impact of COVID, and any plans to forgive that debt. Unlike other human service providers that received retainer payments to shield them from the financial impact of COVID, behavioral health providers received no such assistance. Through no fault of our own we now face repayment of significant amounts of money at a time when demand for services is at an unprecedented high.

We urge your support for the behavioral health safety net and a favorable report for HB 715.

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