



Maryland
Hospital Association

March 2, 2022

To: The Honorable Shane E. Pendergrass, Chair, House Health & Government Operations Committee

Re: Letter of Support – House Bill 715 – Administrative Services Organizations – Requirements for Retraction, Repayment, or Mitigation of Claims

Dear Chair Pendergrass:

On behalf of the Maryland Hospital Association's (MHA) 60 member hospitals and health systems, we appreciate the opportunity to comment in support of House Bill 715. Maryland hospitals are on the front lines of the state's behavioral health crisis. Hospitals and their partners improved access to the most appropriate level of care for Marylanders overall, but for the one in five living with a mental health or substance use disorder, the emergency department often remains the only door to access treatment.

Maryland's current system for providing behavioral health care to the Medicaid population is managed by an administrative services organization (ASO). MHA acknowledges and appreciates efforts of the Maryland Department of Health (MDH) and the General Assembly to resolve continuing issues with the current ASO, Optum Maryland (Optum). However, Maryland hospitals that deliver specialty behavioral health services continue to struggle with the Optum system. Hospital and community-based specialty service professionals face massive financial uncertainties and growing administrative burdens to manually review Optum accounts.

Optum's contract began Jan. 1, 2020 and almost immediately was plagued by issues, including a system failure within weeks of its launch. Estimated provider payments were distributed to keep behavioral health providers afloat from February to August 2020. Attempts to reconcile the difference between estimated payments and claims submitted by providers during that period began in late 2020. Yet, providers are still waiting on forms and reports identified in HB 715 to appropriately settle their finances for that period. Providers need this information to determine whether Optum and MDH's recoupment estimates are appropriate and/or accurate.

We thank the sponsor for introducing this bill to add a level of accountability to the ASO when recoupment payments are necessary. We look forward to continuing our work with legislators, Optum, MDH, and community behavioral health professionals to address these ongoing operational issues.

For these reasons, we urge a *favorable* report on HB 715.

For more information, please contact:
Erin Dorrien, Vice President, Policy

Edorrien@mhaonline.org