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Maryland Center on Economic Policy
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TESTIMONY IN SUPPORT OF HB 715

Administrative Services Organizations – Requirements for Retraction, Repayment, or Mitigation of Claims

House Health and Government Operations Committee
March 2, 2022

Submitted by Julia Gross and Kali Schumitz, Co-Chairs

Marylanders Against Poverty (MAP) strongly supports HB 715, which would require Optum – the state’s current administrative services organization (ASO) for public behavioral health services – to meet certain requirements before it can retract or require repayment for certain claims submitted by mental health and substance use providers. If Optum is unable to comply with these requirements they must retain an independent auditor to determine any amounts owed by providers.

The bill also allows providers to request an independent auditor at Optum’s expense to resolve differences regarding amounts owed, following reasonable efforts to reach resolution with Optum. Lastly, it requires the Maryland Department of Health (MDH) to report to the legislature on plans to forgive any provider balances that resulted from service disruptions due to COVID-19.

Over two years have passed since Optum took over as ASO for the state’s public behavioral health system, and Maryland providers are still struggling to navigate the company’s faulty claims payment system. The Maryland General Assembly passed legislation and enacted budget language in 2021 to increase accountability and oversight of Optum, but the challenges persist. In September, the Maryland Behavioral Health Coalition sent a letter to Governor Hogan detailing these challenges and pleading for a fix, yet not a single one of the enumerated system failures has been completely resolved. That letter, which was co-signed by over 120 organizations, is attached to this testimony.

Now, mental health and substance use providers face the prospect of paying back an unverified differential in estimated payments that were made for several months to keep the public behavioral health system afloat when Optum’s IT system crashed immediately upon launching in January 2020. These recoupment plans are moving forward despite the lack of reliable data to reconcile historical payments and services.

The need for mental health and substance use treatment is at an all-time high, yet our behavioral health providers are finding they must spend enormous time and resources attending to an administrative failure not of their making.

MAP appreciates your consideration and urges the committee to issue a favorable report for HB 715.

Marylanders Against Poverty (MAP) is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.