



GAUDENZIA, Inc.

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February 16, 2022

To: The Honorable Shane Pendergrass, Chairman, House Health & Government Operations Committee

From: Dr. Dale Klatzker, President & CEO, Gaudenzia, Inc.

RE: Letter of Support- House Bill 715/ Senate Bill 549- Administrative Service Organizations- Retraction, Repayment, or Mitigation of Claims

Dear Chairman Pendergrass:

Thank you for the opportunity to offer this letter in support of House Bill 715/ Senate Bill 549 on behalf of Gaudenzia, Inc., the state's largest non-profit substance use disorder (SUD) treatment provider. If passed, HB 715/ SB 549 would provide critical protection and financial relief to public behavioral health service providers impacted by Maryland's turbulent BHASO roll-out in FY 2020 and its subsequent reconciliation process. By promoting greater transparency and accountability in BHASO processes and, importantly, by affording debt forgiveness, HB 715/ SB 549 has the potential to preserve essential behavioral health treatment capacity for Maryland's most vulnerable residents.

Given the ongoing coronavirus pandemic and escalating overdose crisis claiming nearly four Marylanders each day, the passage of HB 715/ SB 549 could not be timelier. For more than a year, behavioral health providers have been engaged in a befuddling reconciliation process that too often lacks accurate documentation of claims or payments made and places an enormous administrative burden on already taxed behavioral health providers. Gaudenzia strongly supports HB 715/ SB 549's requirement that BHASOs provide a baseline of industry-standard materials to support an accurate and transparent claims process. This requirement would go a long way for re-establishing trust in the system and enable agencies like ours to reduce administrative burden and operate more efficiently.

In addition to promoting accountability, Gaudenzia supports HB 715/ SB 549's proposed forgiveness of service revenue differentials paid between January and August 2020. In the absence of a functional billing system, the Maryland Department of Health authorized prospective payments based on FY 2019 utilization patterns in January 2020. These payments were instrumental in stabilizing the state's behavioral system after the BHASO failed to pay claims and provided additional relief given the coronavirus's fiscal impacts across our network. Current efforts to recoup more than \$200 million from providers seemingly ignore the severe implications for providers and are akin to having the rug pulled out beneath us twice. With most behavioral health organizations still grappling with increased expenses and decreased utilization due to the coronavirus, recoupment could be ruinous for many. By contrast, forgiveness provided via a one-time budget allocation would ensure our network maintains capacity and is positioned to respond to the state's growing need for affordable SUD and mental health services.

I hope you understand that Maryland's public behavioral health system cannot afford to forfeit any resources in our fight against the state's overdose and mental health crises without a direct impact on the lives we serve. I sincerely appreciate the opportunity to share our support of HB 715/ SB 549.

Sincerely,

Dr. Dale Klatzker
President & CEO

Helping people help themselves since 1968.