Upper Bay Counseling & Support Services, Inc.

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Testimony on HB - 715

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

Committee

Health and Government Operations

Hearing Date: March 2, 2022

POSITION: Favorable

Chairperson Pendergrass, Vice Chairperson Pena-Melnyk, and members of the House Health and Government Operations Committee, thank you for hearing testimony on HB 715. I am Suanne Blumberg, CEO at Upper Bay Counseling and Support Services. We serve over 4,000 consumers yearly, from early childhood to geriatric. We serve both Cecil County and Harford County providing an array of services including Outpatient Therapy, Residential Rehabilitation Program, Assertive Community Treatment, Psychiatric Rehabilitation Programs, Health Homes, and Substance Use Disorder Treatment to name just some of the services.

HB 715 requires Optum to produce industry-standard status reports for each claim, as well as a detailed claims history report to itemize the amounts it intends to recoup from providers. This is desperately needed. In December, we received a demand letter from Optum for the first phase of recoupment. It stated, without justification, that we owed $134,000. As of last week, Optum was telling us that this amount had dropped to a mere $769. Neither figure had any explanation or reason. Every week, the amounts that Optum says we owe across all phases of recoupment fluctuate as Optum continues to correct claims submitted over the past two years.

The absence of standardized reporting for Optum's claims processing has levied substantial costs on organizations like mine. We had to dedicate one staff person full-time to reviewing and tracking claims and payments. These tasks are largely automated in a system functioning to industry standards but require labor intensive manual reviews under Optum. Our billing manager has spent half of her time since January 2020 dealing with the Optum mess instead of supervising and training staff and fiscal operations.

The cost to our agency for staff time dedicated to Optum's inept roll out and two years of a broken system is about $206,105. This is money that could have gone to services and salary. On top of all of that our write-offs have increased 200% since Optum took over as the ASO. In one six-month period it was $30,000. This is due to Optum's lack of support and failure to provide authorizations in a timely manner, if at all for many services.

Staff have spent countless hours on the phone with Optum trying to get these issues resolved to the point of just giving up out of complete frustration. Optum's claims processing and customer service systems do not work. It is damaging my organization's ability to deliver services, and it is destabilizing our financial future.

In addition to requiring Optum to deliver industry-standard claims reports like 835s and 277s, this bill also requires Optum to itemize the claims applied to recoupment phases. This report is the claims history report, which should allow providers to see the history of all claims processed or reprocessed. For the reprocessed claims, the original claim number and date is there so the claim can be tracked. Currently we do not have that information, which would be available on the report. This report is most important as we try to see if our math matches Optum's math. There is great concern that we will be overcharged since there is little data to support the recoupment amounts that have been presented to us, and many of our claims have not yet been correctly adjudicated.

All of this comes at a time when our services have never been more needed and, like most healthcare providers, we have a workforce shortage. We are having to re-scale our salaries without knowing how much our reimbursement will be week-to-week, given Optum's shortcomings. It has been an impossible task trying to run an organization when it is unknown the total amount that is owed. We have been unable to plan any new programming or expand any services with this looming recoupment hanging over our heads. It is unconscionable that is has continued, unchecked, for two years.

As a reminder, this is the ASO the MDH chose. Providers have been working very hard providing support to help resolve the issues. This broken ASO is hurting all providers and we need to know, and have confidence in, the recoupment amount we are being asked to repay. But please know, providers did not cause this problem. Yet it has cost all of us financially, loss of billing staff and an increase in staff frustration when they should be focusing on the people we serve.

I want to thank the committee for your consideration and I urge you to give HB 715 a favorable report.