March 23, 2020

Jonathan Weinstein
Maryland Department of Health

Dear Mr. Weinstein:

Thank you for soliciting stakeholder feedback on the Maryland Department of Health's proposed process for payment reconciliation and relaunch of the ASO vendor's claims processing system.

This letter reflects feedback from the Community Behavioral Health Association of Maryland (CBH). CBH represents 68 organizations, encompassing twelve provider types[1] who deliver virtually every program service in the public mental health system. Collectively, our members report serving about 180,000 individuals annually, or roughly 80% of the individuals receiving publicly funded mental health services in FY2019.

We appreciate the hard work that the Department and Optum have invested in addressing the ASO vendor's functionality. Despite these efforts, the ASO's performance has had a financially destabilizing impact on providers, a situation now exacerbated by the COVID-19 crisis. This backdrop of financial turmoil must inform the state's consideration of next steps relative to the ASO vendor's performance.

With that in mind, we offer the following recommendations for your consideration as MDH develops its reconciliation policy.

Recommendation 1: Postpone ASO Claims Processing Relaunch Until COVID-19 State of Emergency Has Ended

Relaunching the ASO will require substantial staff time and financial risk for the provider community. The COVID-19 emergency radically reduces providers' capacity to absorb further financial risk and destabilization, as well as their staff capacity to manage needed change. For these reasons, we ask you to postpone the ASO relaunch until the COVID-19 emergency has ended.

[1] Our members include providers licensed as: federally qualified health centers (PT-34), local health departments (PT-35); outpatient mental health clinics (PT-MC); group practices (PT-27); 1915(i) (PT 89/HG); outpatient substance use treatment (PT-50); mobile treatment providers (PT-MT); psychiatric rehabilitation programs (PT-PR); residential treatment centers (PT-88); supported employment programs (PT-SE); targeted case management (PT-MC); and therapeutic behavior services (PT-51).

Due to reduced staff availability and limited bandwidth as attention is directed to prioritizing COVID-19 response, providers have neither the staff nor the time needed to undertake the work necessary on their end to prepare for the ASO relaunch, including EMR recoding, staff training, supervision of new workflows among teleworking staffing, VPN connections, and communications.

In addition to the staffing challenges posed by ASO relaunch at this time, providers cannot face further financial destabilization. Our median member has 24 days of cash on hand, down from 43 days three years ago. The ASO transition negatively impacted providers' cashflow, causing many of our members to tap lines of credit in order to make payroll and other critical expenses. It is unclear the extent to which their cashflow has been restored – a need that is critical given the COVID-19 emergency. Moreover, our members are currently investing capital in securing PPE, quarantine-compliant housing, expanding telehealth and making other investments to ensure the safety of the population they serve and their staff. That must remain their priority. The likelihood that the ASO relaunch will destabilize their finances warrants its postponement until the state of emergency has ended.

Recommendation 2: "Stabilization" Period Should Last 12-16 Weeks

You orally indicated that the "stabilization" period to evaluate the vendor's performance post-relaunch may last four weeks. Given that some program types like PRP, RRP, MTS and ACT only bill claims monthly, we are concerned that this window does not provide sufficient time to evaluate claims performance across all program types. We recommend 12-16 weeks as a stabilization period to ensure that claims-processing on monthly claims is stable as well as those billed on a more frequent basis.

Recommendation 3: Recoupment of Overpayments Should Occur Over a Period of Months, and Only Once Provider Cashflow Stability Is Established, Adequate Notice Is Given and Recoupment Amount Is Certain

The written proposal you shared indicated that recoupment of overpayments would occur for "an undisclosed amount of time." Orally, you had suggested that MDH was considering recouping any overpayments at a rate of 25% weekly over a four-week period. We are concerned that this proposal is too short and does not take account of providers' current financial posture.

Any provider who wishes to promptly resolve any overpayment should, of course, have that option.

However, we believe that it is important for system stability to ensure that a longer recoupment option is available to those who need it. Greater advance notice than what has been given, including advance notice of the amount to be recouped, is critical for providers. We also encourage MDH's repayment process to take account of providers' cashflow needs.

The features we urge you to adopt were all incorporated into a successful provider repayment model used in Ohio. Ohio's repayment process includes: months of advance notice, certainty and notice of the amounts being recouped, 5-8 month repayment plan, and repayment schedule tied to providers' overall cashflow stability and payment rates. We have included links to the documents describing the Ohio model in Appendix A.

Finally, we also note that budget language requires MDH to submit a report by July 1, 2020, to the Senate and House budget committees. The explanation language included the following: *This report should also address progress made on the ASO functionality and client-access issues that may have resulted from the ASO transition. Further, the report should include the process for reconciliation of estimated payments to providers, inconsistencies between provider claims records and MDH's, and financial impacts experienced by providers during this transition period.*

Recommendation 4: Clearly Define, Measure and Report ASO Claims-Processing Performance Metrics Across Program Types Using Sources External to Incedo Before Relaunching ASO

The draft reconciliation process shared by MDH did not clearly articulate the measures that would be used to evaluate the ASO vendor's performance leading up to and during the "stabilization" process post-relaunch. It indicates, "There will be a period of 'stabilization' post reactivation to allow all stakeholders to gain confidence in the weekly claims processing … and authorization approval process."

When I requested additional detail on MDH's measures of the ASO performance, you indicated that MDH would be tracking the number of new claims in the system, post re-launch, and looking at the percent paid. You were unable to indicate whether performance by specific program type or whether core functionalities would be examined independently.

A global measure of percent of clean claims paid is insufficient to measure the ASO vendor's performance.

The proposed measure does not capture the number of providers blocked from submitting claims due to set-up errors, the number of claims improperly paid to the wrong provider or wrong program, the ASO vendor's performance on responding to provider inquiries and problems, the apparent omission of functioning codes and modifiers from the ASO vendor's system, the missing functionality required to support effective revenue cycle management for providers, incorrect processing of dates, and the wide variation in claims processing performance by program type.

Based on an assessment of the ASO vendor's current performance on the six measures listed above, it is the overwhelming consensus of our members that the ASO vendor's system is not yet ready for relaunch.[2]

[2] Those members are: Archway Station; Arrow Child & Family Ministries; Arundel Lodge; Aspire Wellness Center; Baltimore Crisis Response; Behavioral Health Partners of Frederick; Board of Child Care; Calvert County Behavioral Health; Carroll County Youth Services Bureau; Catholic Charities; Center for Children; Channel Marker; Charles County Freedom Landing; Children's Guild; Community Connections; Community Residences; Cornerstone Montgomery; Corsica River Mental Health Services; Crossroads Community; Families First; Family Service Foundation; Family Services; Garrett County Lighthouse; Go-Getters; Goodwill Industries of the Chesapeake; Harford Belair Community Mental Health Clinic; Hope Health Systems; Humanim; IBR-Reach; Institute for Family-Centered Services; KeyPoint Health Services; La Clinica del Pueblo; Leading by Example; Life Renewal Services; Reginald Lourie Center for Children's Social and Emotional Wellbeing (Adventist); Lower Shore Clinic; Mental Health Center of Western Maryland; Mosaic Community Services; Omni House; Pathways; Partnership Development Group Rehabilitation Services; People Encouraging People;

We have attached to this letter proposed standards for the ASO vendor's performance and suggested metrics that reflect the performance and capabilities desired by our members to ensure their ability to operate successfully and smoothly in alignment with the vendor (Appendix B). We urge MDH to consider these needs as it fleshes out the standards to evaluate whether the vendor is meeting its performance expectations. Given that CBH members represent a majority of providers in a majority of program types, we would be more than willing to assist MDH in broader data collection efforts to evaluate the ASO vendor's performance.

Thank you for consideration of our feedback. If you have any questions, please do not hesitate to contact me at shannon@mdcbh.org.

Sincerely.

Shannon Hall
Executive Director

cc: Dr. Aliya Jones, Deputy Secretary for Behavioral Health

Pressley Ridge; Prologue; Psychotherapeutic Treatment Services; Regeneration Project; Rehabilitation Systems; San Mar Children's Home; Sheppard Pratt; Southern Maryland Community Network; Therapeutic Living for Families; Thrive Behavioral Health; University of Maryland Division of Community Psychiatry; Upper Bay Counseling & Support Services; Volunteers of America; Vesta; Way Station; Wicomico County Health Department; and WIN Family Team.

Appendix A: Ohio Stabilization and Repayment Process

In 2018 and 2019, the Ohio Medicaid program created an advance payment and repayment process for its behavioral health providers. Key features of Ohio's repayment process include: months of advance notice, certainty and notice of the amounts being recouped, 5-8 month repayment plan, and repayment schedule tied to providers' overall cashflow stability and payment rates.

Advance Payment Period	Repayment Period	Key Features, Mechanism, and Notice	Source
January – April 2018	May – June 2018	Providers signed contract in January, outlining notice of repayment with four months' notice of repayment plan. Amount of payment and advance clearly defined in advance, allowing for cashflow management.	https://bh.medicaid.ohio.gov/Portals/0/Providers/MITS%20Bits/2018/BH-MITS-Bits_01052018.pdf
July 2018	November 2018 – postponed	Repayment timing and scope tied to stability of provider cashflow post-MCO transition. With evidence of low revenue and poor rate of "clean claims" payment, state set initial repayment period to begin in November (five month delay). With continued shortfalls in payments, repayment was delayed through January 2019 and then again in February. ***Repayment timing tied to underlying cashflow stabilization for provider community.***	06/07/2018 | Medicaid Managed Care Advanced Payment Agreements 06/21/2018 | Contingency Plan for Behavioral Health Providers - Medicaid Managed Care Advanced Payment Agreements 01/04/2019 | Behavioral Health Redesign and Integration - Ongoing Assistance for Behavioral Health Providers (Delay of Repayment of Contingency Funds) 02/15/2019 | Behavioral Health Redesign and Integration - Next Steps in Assistance for Behavioral Health Providers (Extends Delay of Involuntary Repayment of Contingency Funds)

Appendix B: Proposed ASO Vendor Performance Standards

This document seeks to define and communicate key functionality and performance standards that the Community Behavioral Health Association of Maryland (CBH) seeks prior to any end to estimated payments. Providers must align their technology, staffing and other operational workflows with the ASO vendor. To date, providers have either not received the information necessary to do so, or they have not yet seen the consistent level of performance that assures them that the ASO vendor is nearing the functionality required to support implementation.

Standard 1: ASO vendor's claims processing system includes core functionality necessary to support providers' revenue cycle management consistent with industry best practices.	
Current Rating	**X**
Current Performance *Effective revenue cycle management by providers requires close monitoring of eligibility and every step in the claims processing cycle. Understanding errors and correcting them is essential to secure payment for all rendered services. The ASO vendor's current capacity to perform reporting needed by providers varies significantly or doesn't exist. Moreover, providers have been unable to determine what capacity is intended to exist once the ASO vendor is fully functional.*	*Desired Performance* *For every program type, more than 80% of licensed providers report that the following functions work more than 95% of the time:* • *999 reports (successful upload);* • *835s (remittance advice on what was paid);* • *277s (claim response on front-door edits);* • *Denial codes for denied claims;* • *Export and download;* • *Void and resubmit capacity for individual and batch claims.*
Standard 2: ASO vendor correctly processes dates of services and encounters across authorization and coding workflows for all program types.	
Current Rating	**X**
Current Performance • *PRP encounter claims are improperly denied (resulting in claims paying at a lower rate).* • *OMHC claims are processed with the wrong date of service (resulting in improper denials of same-day exclusion claims).* • *Authorization dates not calculating correctly (resulting in disruption of authorization tracking technology in provider EMRs).*	*Desired Performance* *For every program type, more than 80% of licensed providers report that the following functions work more than 95% of the time:* • *Encounters in PRP;* • *DOS for same-day exclusions for OMCS, IOP, OTPs;* • *DOS for purpose of calculating end date for authorization periods.*
Standard 3: ASO vendor incorporates all billing codes and modifiers existing on December 1, 2019, into its claims processing system.	
Current Rating	**X**
Current Performance *The ASO vendor does not appear to have fully functionality on all codes and modifiers in the PBHS.*	*Desired Performance* *For every program type, more than 80% of licensed providers report that all billing*

	codes and modifiers fully function more than 95% of the time.
Standard 4: ASO vendor's authorization processes match the workflow described in the billing manual.	
Current Rating	**X**
Current Performance *Authorization units, required forms, and workflows differ from the processes described in the billing manual, and are inconsistently set up for different provider groups and users.* •	*Desired Performance* *For every program type, more than 80% of licensed providers report that the authorization workflow functions more than 95% of the time.*
Standard 5: Uninsured eligibility decisions are timely processed.	
Current Rating	**X**
Current Performance Uninsured spans are manually approved, leading to longer timeframes.	*Desired Performance* *Requested uninsured spans are approved or renewed within 5 days.*
Standard 6: ASO vendor's authorizations and claims processing operations match its billing manual.	
Current Rating	**X**
Current Performance *Billing and authorization workflow currently require cumbersome workarounds in order to achieve desired functionality.*	*Desired Performance* *ASO vendor's billing manual accurately describes workflow and steps to successfully process authorizations and claims for each program type in the public behavioral health system.*
Standard 7: Performance standards for the ASO vendor's provider relations are accurately defined, measured, and actionable.	
Current Rating	**X**
Current Performance *The ASO RFP outlined a series of performance expectations for the vendor but did not describe how the performance is measured nor how corrective actions will be addressed. Key RFP measures include the ASO's obligation to:* • *Respond to provider inquiries within one business day (p. 16, 2.3.2.4.A);* • *Resolve claims problems and open tickets within same week or report to Contract Monitor (p. 16, 2.3.2.4.A.5);* • *Resolve provider problems within one week or report delays to contract monitor (p. 16, 2.3.2.4.A.7);* • *Track timeframe for provider problem resolution and share with MDH (p. 16, #11);* • *Develop & manage electronic communications to field questions/concerns/issues raised by providers and maintain tracking of issues to resolution and provide access to the tracking system to MDH (p. 19); and*	*Desired Performance* *MDH will describe how the published RFP's provider relations performance standards are measured, a plan defining ASO performance expectations (if full compliance isn't expected immediately), and corrective actions available to MDH if the ASO vendor fails to meet its performance standards.*

• *Have sufficient staff to track and monitor provider complaints (p. 32, #6).* *It is unclear whether the standards above still reflect MDH's performance expectations and, if they don't, what the current performance standards are and how they are measured.*	
Standard 8: Performance standards for the ASO vendor's claims processing are accurately defined, measured, and actionable.	
Current Rating	**X**
Current Performance *The ASO RFP outlined a series of performance expectations for the vendor but did not describe how the performance is measured nor how corrective actions will be addressed. Key RFP measures include the ASO's obligation to:* • *Process 100% clean claims [redefine] within 14 calendar days of receipt (p. 71, 2.3.9.N.18)* • *Within 5 working days of receipt of claim lacking sufficient info to process, return to provider with explanation of reason for return (2.3.9.N.16);* • *If vendor doesn't meet service agreement goals, it will be financially penalized by state. If financially penalized twice on same measure, vendor must complete Root Cause Analysis (p. 68, 2.6.6)* • *If vendor doesn't deliver Root Cause Analysis in 3 days of request and a Corrective Action Plan in 5 days of request, the vendor subject to liquidated damages of $500/day until documents delivered (pp. 79-80).* *It is unclear whether the standards above still reflect MDH's performance expectations and, if they don't, what the current performance standards are, how they are measured, and how corrective actions are planned.*	*Desired Performance* *MDH will describe how the published RFP's claims-processing performance standards are measured, a plan defining ASO performance expectations (if full compliance isn't expected immediately), and corrective actions available to MDH if the ASO vendor fails to meet its performance standards.* *Clean claims are defined as those that include a set of clearly identified data fields needed to process claims that is shared with the provider community. MDH ensures that any claims-processing performance reports by Optum adhere to reporting this agreed-upon definition of clean claims.*
Standard 9: ASO demonstrates the ability to identify and mediate HIPAA violations in a timely manner.	
Current Rating	**X**
Current Performance *One provider was able to view PHI for 168 individuals not assigned to it. Optum did not limit provider access for over 30 days. Access was eliminated about 48 hours after reporting to state. Other HIPAA breaches reported through Optum's existing channels remain active.*	*Desired Performance* *The ASO vendor demonstrates an ability to identify HIPAA breaches in its system and initiate a substantive response to breaches within 48 hours of first report or identification.*