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November 2, 2020

Dennis Schrader
Chief Operating Officer
Maryland Department of Health

Aliya Jones, M.D.
Deputy Secretary for Behavioral Health
Maryland Department of Health

Dear Mr. Schrader and Dr. Jones:

We write to you today to raise our serious concerns with the reconciliation process, as well as the current functioning of Optum's technology vendor.

As you know, the Community Behavioral Health Association (CBH) is the professional association for Maryland's mental health and addiction treatment providers. Our 85 members provide services at over 848 licensed sites. Our average member holds licenses for three different provider types within the public behavioral health system (PBHS), although nearly one-third of our members span five or more provider types.¹ Our average member is a \$9 million dollar business that has been in operation for 44 years.

For over a year, CBH and its members have worked hard to ensure a successful ASO transition. CBH members have participated in every testing opportunity and have consistently provided constructive feedback to Optum to identify knowledge gaps and technology deficiencies.

Despite the time invested in the ASO transition by all parties, Optum has neither delivered the tools needed to support reconciliation, nor has it demonstrated successful claims performance. *We seek immediate corrective actions to prevent further harms to the provider community.*

¹ CBH members offer the following programs in the public behavioral health system: outpatient mental health clinics; group practices; outpatient substance-related services including: DUI education programs, Level 1 outpatient treatment programs, Level 2.1 intensive outpatient treatment programs, Level 2.5 partial hospitalization programs; gambling program; opioid treatment services; withdrawal management services; specialty mental health services including psychiatric rehabilitation programs (PRP), psychiatric day treatment programs, supported employment programs, mobile treatment or Assertive Community Treatment (ACT), capitation program, therapeutic behavior services (TBS), targeted case management (TCM); and 1915(i) services; residential services including residential treatment centers (RTCs), respite care, residential crisis services, and residential rehabilitation programs.

REQUEST 1: RECONCILIATION CANNOT BEGIN UNTIL PROVIDERS HAVE NEEDED TOOLS

We are purportedly less than two weeks away from the delivery of all 835s for claims submitted in the estimated payment period – which triggers the start of the appeals and resubmission timeframes. Providers still lack the tools needed to independently verify Optum’s reconciliation math, making accurate reconciliation impossible.

Tools that are needed and currently missing include:

- Accurate batch rejection and acceptance reports so providers can verify that a resubmitted claim entered Optum’s database within the deadlines for resubmission (999 reports);
- Accurate batch error reports so providers can rework and resubmit any failed claims batches in compliance with the deadlines for resubmission (277CA reports);
- Accurate and complete claims history information in a format that can be electronically posted (835s).
- Denial codes that are applied accurately and consistently, and that are actionable for providers to correct without interfacing with Optum’s customer service on individual inquiries (835 denial codes).
- A public list of systemic issues that delineates the claims providers need to resubmit and those Optum will resubmit;
- Search capability within Incedo portal that accurately returns accurate results within defined search parameters.
- Sufficient and adequately trained customer service representatives who can provide accurate and timely responses to provider claims inquiries.

We understand that Optum has promised to deliver many of the above tools before the reconciliation period starts in roughly two weeks. Let’s be frank: Optum’s promises of future performance carry little weight. Its 13-month history in this contract is one of blown deadlines, delivery of non-functional tools, inaccurate reports, and electronic updates that cause more errors than they resolve.

For that reason, providers need to see, test, and verify the accuracy of all of the above tools before reconciliation can start. *This is an absolute prerequisite because without these tools no independent verification of Optum’s data is possible.*

REQUEST 2: EXTEND RECONCILIATION PROCESS

CBH renews its request that MDH extend the reconciliation process and repayment period beyond 60 days (for resubmission) and 90 days (for appeal).² We first raised this request in March, and the Department indicated then that extensions would only be considered on a case-by-case basis.³

Based on what we know today, it is clear that 90 days is simply insufficient to allow providers to reconcile. We request that providers have 365 days to complete the reconciliation period, and that the 90-day window begin once the reconciliation process is complete. Once reconciliation starts, providers will have to ingest and manually adjust 835s not just for eight months’ of historical claims, but for each reprocessing of each claim.

² CBH letter to MDH (March 23, 2020)

³ “MDH Response to Retractions and Deadline Request by CBH” (June 15, 2020).



Optum has and continues to reprocess claims extensively, thereby increasing the workload. One provider who appears to have received all its 835s analyzed the volume of reprocessing (see Attachment A). Although Thrive Behavioral Health submitted 148,710 claims during the period studied, the organization had to reconcile a total of 202,156 claims – a volume 36% higher than submitted – due to the scale of Optum’s claim reprocessing. Thrive’s data reflects only claim reprocessing and doesn’t even capture the high rate of improper denials, incorrectly adjudicated claims, and inadvertent duplication of claims by Incedo – which require even more work to rework and process.

Thrive’s data reflects only Optum’s performance on outpatient mental health claims, one of the simplest provider type claims to process. As detailed below, additional challenges remain for specialty services like psychiatric rehabilitation programs (PRPs), where the volume of reworking is even higher.

Some providers have already had to hire additional billing staff to meet the increased workload of submitting current claims without actionable denial codes which requires consistent communication with untrained customer service staff. The volume of work – and the scale of manual corrections needed on providers’ end as a result of Incedo’s failures – means that the scale of this work simply cannot be performed with existing resources.

REQUEST 3: DEFINE THE REPAYMENT PROCESS

MDH has not described the anticipated repayment process if a provider is identified as owing money to the Department, and we are concerned that MDH may plan to offset providers’ current claims revenue. Given the impact of COVID and growing need for behavioral health services, we urge MDH to take a more considered approach to provider repayments.

After a flawed managed care transition in Ohio, Ohio’s Medicaid program instituted estimated payments and a repayment process. We encourage Governor Hogan to adopt similar features to the repayment plan implemented by Governor Kasich’s administration. Governor Kasich, mindful of the opioid epidemic, adopted a payment plan that included: months of advance notice, repayment plans over 5-8 months, and a repayment schedule tied to providers’ overall cashflow stability.

We shared Ohio’s repayment materials with MDH in our March letter on this topic,⁴ and we encourage MDH to adopt a similar approach. While Ohio was focused on preserving capacity in the face of an opioid epidemic, Governor Hogan faces the dual challenges of managing repayment in the face of both the opioid epidemic *and* the COVID pandemic. A thoughtful repayment approach like Ohio’s will allow Maryland to recoup funds without damaging provider capacity.

⁴ See [CBH letter to MDH](#) (March 23, 2020) at p. 5.

REQUEST 4: REQUIRE OPTUM TO REPLACE INCEDO

Over a year after being selected as the contract vendor and ten months after it began to accept claims, Optum remains unable to deliver a working claims technology system through Incedo. Providers cannot continue to shoulder the financial and administrative costs of this dysfunctional system.

Incedo is unable to correctly perform necessary, industry-standard functions such as:

- Assigning insurance priorities, resulting in improper denials;
- Processing retroactive eligibility, resulting in improper denials;
- Processing OMHC claims by suppressing the rendering provider NPI, resulting in claims paid improperly at a lower rate;
- Processing psychiatric rehabilitation claims, resulting in improper denials;
- Assigning patients and claim files into correct provider portals in accordance with federal and state privacy laws, potentially creating legal liability for providers;
- Producing industry-standard EDI transaction reports (999, 277, and 835s) for the exchange of claims and payments between providers and the payers, precluding providers from engaging in revenue cycle management; and
- Assigning denial codes correctly, precluding providers from engaging in revenue cycle management.

Due to Incedo's limitations, Optum discharges the above responsibilities by relying extensively on manual corrections. This introduces human error at a rate that is unsustainable and ineffective.

The combined performance of Incedo's current functioning and Optum's human lift is ineffective. Data from CBH's workgroup on psychiatric rehabilitation program (PRP) claims processing indicates that providers are getting paid only 76% of the PRP claims they submit. Optum reported that its audit of encounters for half of the workgroup resulted in reprocessing and acceptance of 99% of the denied encounters, verifying providers' claims that their encounters had been accurately submitted. Thus, Optum's existing workflow for PRP claims does not result in prompt payment of clean claims.

Simply put, in the twenty-first century, Maryland's public behavioral health system needs a vendor whose technology can process claims accurately without relying on manual touch to every PRP claim or extensive reprocessing. Incedo is not up to the task.

Maryland is in the midst of a pandemic. Overdose deaths are rising. Calls to mental health crisis lines are rising, a sign of rising demand for treatment. Maryland residents need their public behavioral health system more than ever, and the steps we ask you to take today are essential, reasonable steps to preserve desperately-needed treatment capacity.

Letter to Schrader and Jones
November 2, 2020
Page 5



Thank you for consideration of our request. We look forward to your prompt response. If you need any additional information, please do not hesitate to contact me at shannon@mdcbh.org.

Sincerely,

Shannon Hall
Executive Director

cc: Scott Greene, Optum Maryland CEO
Rebecca Schechter, CEO, Optum Behavioral Health

Thrive Behavioral Health Claim Count of Records Reported By Optum & Last Beacon 835
As of 10/29/2020

Count of Time processed for each Claim Type	Times Processed	Date of Service Month																			
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	21			
New Day		13051	372	326	9	4	7	5													
		13419	22	1010	9	6	2														
		9592	4	16	2																
New Day Total		36062	398	1352	20	10	9	5													
Prior Day	2019	2958	205	234	123	89	52	33	33	22	10	12	3	1	1						
		12774	1354	829	209	106	88	22	6	9	7	3	2		1						
		12490	1898	197	9	27	16	2	3												
		8470	2502	2466	123	1286	80	14	35	2	9				1					1	
		15138	1819	1018	160	284	31	34	14	17		3									
		10009	657	3952	362	38	6	1			1									1	
		10865	135	4342	74	7	2														
		14125	622	257	37	10	9	4	1	1	1										
Prior Day Total		84829	9192	13295	1097	1847	284	110	92	51	27	19	5	1	1	2	1	1	1	1	
Grand Total		120891	9590	14647	1117	1857	293	115	92	51	27	19	5	1	1	2	1	1	1	1	

Times Processed or Reprocessed					
Total	1	2	3	4	5 or More
100.00%	95.26%	1.05%	3.57%	0.05%	0.06%
37,856	36,062	398	1,352	20	24

New Day	%	Count	Ind Claims	%	Count	Ind Claims
Prior Day	%	Count	Ind Claims	%	Count	Ind Claims