



Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Dennis R. Schrader, Secretary

July 2, 2021

Shannon Hall, Executive Director
Community Behavioral Health Association of Maryland
18 Egges Lane
Catonsville, MD 21228

Vickie Walters, President
Maryland Association for the Treatment of Opioid Dependence
2104 Maryland Avenue
Baltimore, MD 21218

Dear Ms. Hall and Ms. Walters:

Thank you for your letter, dated April 19, 2021, regarding application of the Health Insurance Portability and Accountability Act's Administrative Simplification Rule. The Maryland Department of Health (MDH) understands the burden that has been placed on providers since the transition to Optum as the Behavioral Health Administrative Services Organization.

MDH continues to work with Optum to address performance issues and incorporate provider feedback, including feedback provided during the Operations Improvement Committee meetings. MDH takes your feedback seriously in how the Administrative Services Organization should operate to support delivery of services to Marylanders.

The Administrative Simplification Rule in 45 CFR § 162.923 prevents an insurer or other entity from requiring an alternative schema for healthcare transactions other than the ANSI X12 Electronic Data Interchange (EDI) format. Neither MDH nor Optum require the use of non-X12 transactions for EDI (although alternatives do exist for non-EDI providers). However, "trading partners" in data exchanges may implement the data structures and required content of these transactions differently. While the implementation of the EDI standard has encountered some difficulties as noted in your letter, they do not constitute an attempt to create a separate standard.

While these issues may not implicate the Administrative Simplification Rule, MDH and Optum worked together to provide an update and explanation for each complaint raised. While some may be resolved, MDH is working with Optum to validate any unresolved issues. Your letter identified eight issues/areas of noncompliance with the Administrative Simplification Rule

Complaint Area	Response
<p>Batch upload verification (999 report): Optum launched its claims processing system without having 999 functionality in place. When it released the functionality ten months late, the 999 report functionality was inoperable because the subvendor (InfoMC) had coded them as assessments, not claims. The simple coding correction needed to create workable 999 reports has not occurred more than five months after providers reported the error.</p>	<p>The 999 is an acknowledgement of receipt and either accepts or rejects the batch and is returned to the submitter. The 999 was in place at go-live; however, an enhancement was made to provide 999s for rejected batches within the 999 file which was implemented in December 2020. In February 2021 providers reported an issue related to an incorrect code within the 999. This fix is planned for release in July.</p>
<p>Claim accepted for adjudication (277 report): Optum has been unable to release 277 report functionality despite more than eight months of work and has already indicated that the 277 will need to be supplemented with a non-standardized manual report.</p>	<p>The 277CA (277 is individual claim response, CA is Claims Acknowledgement) was not released until April 12, 2021 for providers. Unfortunately, an issue with the routing number used by Optum360 to direct 277CA to clearinghouses means some providers are not receiving the 277CA. Optum released a provider alert with this information and is currently trying to resolve the issue with a hotfix. MDH has requested a measure of which providers are currently receiving 277CAs out of the total 60 providers eligible to receive a 277CA. The mentioned non-standardized report will provide additional detail for “soft” rejections and historical rejections with no associated corrections.</p>
<p>Non-standard denial coding, as required by § 162.1603(a)(4). Optum’s claims processing system uses denial codes that were deleted from industry-standard claims coding in 2003, over 18 years ago. Denials cannot be automated in provider EMRs.</p>	<p>Optum leverages HIPAA CARC codes as provided by CMS. Code 63 did expire in 2003 however a replacement code was not provided by CMS, as a result this code continues to be used to maintain a placeholder.</p>
<p>Claims receipts (835s). Since Optum launched its claim processing system in January 2020, providers have complained about missing payments and 835s. We learned last week that Optum’s system is inaccurately labelling claims as paid and 835s as sent.</p>	<p>Sheppard Pratt indicated that their affiliated transactions did not generate an 835/PRA, which is created by Payspan once adjudication results are provided through Incedo. Optum confirmed with PaySpan that there was visibility to this information. The missing or mislabeled paid issue appears to be inaccurate or a provider misunderstanding and the IT/OPS workgroup will address the denial concerns until resolved.</p>
<p>Receipts for all funding changes, as required by § 162.1603(a)(5). Optum’s system retracts payments or issues duplicate payments without delivering simultaneous claims receipts in</p>	<p>This is specifically referencing the negative balance issue, where Incedo does not release claims held for a negative balance until the balance is satisfied. This applies to both the retraction as well as the held claim to satisfy the</p>

<p>standardized transaction formats, as has occurred recently with retro eligibility reprocessing.</p>	<p>balance. In normal processing, these would clear on the same checkwrite, but mass reprocessing created significant issues. As a result of the retro-eligibility project in March, this has been noted as an opportunity to provide more clarity within the 835/PRA process. We are working towards resolution in the near future.</p>
<p>Absence of a companion guide for Optum's system, as required by § 162.1603(b).</p>	<p>Optum uses industry standard EDI transaction files, therefore industry Implementation guides are used. However, in instances where additional specification is necessary, Optum provides companion guides on their website. The Optum Maryland 837 companion guides are comprehensive and include additional detail from the industry implementation guides and can be found on the provider website (Home (optum.com))</p>
<p>Coordination of benefits transactions, as reflected in § 162.1802.</p>	<p>COB Process was implemented in March 2021; however, MDH has clarified requirements that will address multiple outlier examples. These requirements are being met by multiple fixes some of which are scheduled for implementation in July.</p>
<p>Continuing data integrity problems, with providers receiving payments or portal access for patients not associated with their practice. While the scale of these problems may appear minor, the fact that they continue to occur on virtually a weekly basis suggests that Optum's corrective actions have been insufficient to ensure security and privacy compliance.</p>	<p>The root cause of these issues has been determined to be human error when manually processing some claims. The solution being implemented includes:</p> <ul style="list-style-type: none"> • multiple re-training and disciplinary actions to address this issue with staff, specifically including a component in new hiring training. • A system change to prompt end users of potential mis-matches that results in these issues that will be implemented in May/June 2021. • A system change to rejecting claims where providers are no longer found is being jointly developed with Optum and MDH.

Thank you for your continued feedback and working with us to guide Optum towards delivering the level of service that the Public Behavioral Health System needs to serve Marylanders. If you have additional questions or concerns, please do not hesitate to contact Linda Rittelmann at linda.rittelmann@maryland.gov.

Sincerely,



Steven R. Schuh
Deputy Secretary, Health Care Financing
Maryland Department of Health

CC: Scott Greene, CEO, Optum Maryland
Dr. Aliya Jones, Deputy Secretary for Behavioral Health, MDH