

# Maryland Behavioral Health Coalition

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October 23, 2020

The Honorable Larry Hogan  
Governor of Maryland  
100 State Circle  
Annapolis, MD 21401

Governor Hogan –

The 82 undersigned member organizations of the Maryland Behavioral Health Coalition write to you regarding a matter of urgent importance with respect to the delivery of public mental health and substance use disorder services. In January, the Maryland Department of Health (MDH) transitioned administrative management of the public behavioral health system (PBHS) to a new vendor, Optum Maryland. Over 9 months of chaos have followed, and despite the concerted efforts of MDH leadership, the vendor and the provider community, problems that became immediately apparent and which resulted in suspension of the vendor's claims payment system earlier this year continue unabated.

We sincerely hope that MDH's efforts to resolve these issues are soon successful. **However, if Optum Maryland's system failures are not rectified within 30 days, we urge that immediate action be taken to either require replacement of Optum's claims payment system or rebid the ASO contract entirely.**

Here is a brief summary of what has occurred to date:

**July 2019:** Contract awarded to Optum.

**January:** System launch. Optum's Incedo claims payment system failed immediately and was suspended due to inoperability. Estimated provider payments implemented.

**August:** Following 6 months of intensive effort by MDH, Optum and service providers to identify and solve basic claims payment problems, relaunch of the Incedo system occurred, along with a process to reconcile 7 months of estimated provider payments against actual services rendered.

**October:** Two months of continued system failure have followed the Incedo system relaunch. Fundamental systems problems continue with no end in sight.

A central and ongoing system failure is Optum's inability to provide consistent, accurate, or in some cases any documentation to enable providers to reconcile claims against:

1. FY20 and FY21 outstanding receivables due under the prior vendor's contract (Beacon)
2. Estimated payments and actual fee for service delivery for the period 1/1/20-8/5/20
3. Reimbursement for services rendered from 8/5/20 to date

While providers have received payments since August 5 that are historically on par with prior history, the inability to reconcile outstanding receivables against payments is fundamentally destabilizing – the 90-day time clock is ticking toward deadlines to contest inaccurate payments, and providers lack the full claims history to do so. It is also unprecedented – the PBHS has operated efficiently through multiple ASO vendor transitions for over two decades. No business can function properly with this level of ongoing fiscal uncertainty.

Provider relations, clear and consistent communications, basic technical assistance support, and accurate training have also been sorely lacking and inadequately staffed, leaving behavioral health providers mired in a system that requires duplication of effort and shifting of attention away from

clinical care to administrative functions. Imagine the uproar if our state's hospital systems were experiencing this level of dysfunction in routine administrative services that are central to stable operation and delivery of health care to the public.

Providers and advocates are eager to return to meaningful discussions with MDH to optimize the overall system of care. But these discussions about quality of care, rate setting, and innovative payment arrangements cannot move forward until there is properly functioning management of the system. When the IT system that launched Maryland's Health Benefit Exchange failed several years ago, action was swiftly taken to address the vendor failure in a matter of weeks so the Exchange could function as intended. It is unacceptable that over 9 months into this system failure, there is no fix in sight.

Finally, we feel compelled to raise concern about aspects of state procurement procedures that negatively impact the public. Never has the contract holder for these ASO services been renewed over the past two decades, and the incoming vendor's bid is typically substantially lower than that of the incumbent. In this round the savings to the state was \$73 million. No calculation of the hidden cost of these frequent transitions appears to be taken into account when decisions are made. As a society we are not contracting out other essential health and public service functions every few years to the lowest bidder, yet a price is paid each time these transitions occur in our public behavioral health system. That burden is borne by essential providers and vulnerable members of the general public.

Optum Maryland's failure to demonstrate competency in basic contractual obligations is unacceptable at a time when our health and behavioral health care systems are under extraordinary pressure. Thank you for your consideration of this urgent request. We look forward to hearing from you soon.

Sincerely,

Advantage Psychiatric Services  
Adventist Healthcare Behavioral Health Services  
American Foundation for Suicide Prevention, Maryland Chapter  
Archway Station  
Arrow Child and Family Ministries  
Arundel Lodge  
Aspire Wellness  
Baltimore City Substance Abuse Directorate  
Baltimore Crisis Response, Inc.  
Baltimore Harm Reduction Coalition  
Behavioral Health System Baltimore  
Bergand Group  
Brain Injury Association of Maryland  
Carroll County Youth Services Bureau  
Catholic Charities of Baltimore  
Center for Children  
Charles County Freedom Landing  
Chesapeake Voyagers  
Children's Guild  
Community Behavioral Health Association of Maryland  
Community Connections  
Cornerstone Montgomery

Corsica River  
Crossroads Community  
Disability Rights Maryland  
Eastern Shore Behavioral Health Coalition  
EveryMind  
Family Service Foundation  
For All Seasons  
Goodwill Industries of the Chesapeake  
HARBEL Community Organization  
Harford Belair Community Mental Health Center  
Head Injury Rehabilitation and Referral Service  
Healthy Harford  
Hope Health Systems  
Horizon Foundation of Howard County  
Hudson Behavioral Health  
Institutes for Behavior Resources  
Jewish Community Services  
Key Point Health Services  
Klein Family Harford Crisis Center  
La Clinica del Pueblo  
Leading by Example  
Legal Action Center  
Licensed Clinical Professional Counselors of Maryland  
Life Renewal Services  
Lower Shore Clinic  
Maryland Addiction Directors Council  
Maryland Association for the Treatment of Opioid Dependence  
Maryland Clinical Social Workers Coalition, sponsored by the Greater Washington Society of Clinical  
Social Workers  
Maryland Coalition of Families  
Maryland Coalition on Mental Health and Aging  
Maryland-DC Society of Addiction Medicine  
Maryland Family Resource  
Maryland Psychiatric Society  
Maryland Psychological Association  
Mary T Maryland  
Mental Health Association of Frederick County  
Mental Health Association of Maryland  
Mental Health Center of Western Maryland  
Mid Shore Behavioral Health  
MSA Child and Adolescent Center  
National Alliance on Mental Illness, Maryland Chapter  
National Council on Alcoholism and Drug Dependence, Maryland Chapter  
On Our Own of Maryland  
Partnership Development Group  
Pathways  
People Encouraging People  
Pro Bono Counseling Project

Prologue  
Regeneration Project  
Sheppard Pratt  
Southern Maryland Community Network  
Step by Step of Maryland  
Therapeutic Living for Families  
Thrive Behavioral Health  
Transformation Health  
Upper Bay Counseling and Support Services  
Voices of Hope  
Volunteers of America, Chesapeake  
Wells House  
WIN Family Health

cc: Boyd Rutherford, Lieutenant Governor  
Robert R. Neall, Secretary, Maryland Department of Health  
Aliya Jones, M.D., Deputy Secretary, Behavioral Health, Maryland Department of Health  
Dennis R. Schrader, Deputy Secretary, Health Care Financing and Chief Operating Officer,  
Maryland Department of Health