Maryland
DEPARTMENT OF HEALTH
Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Dennis R. Schrader, Secretary

To: Kathy S. Ghiladi, Partner, Feldesman Tucker Leifer Fidell LLP
Mindy B. Pava, Partner, Feldesman Tucker Leifer Fidell LLP

From: Steven R. Schuh, Deputy Secretary for Health Care Financing and Medicaid
Linda Rittelmann, Medicaid Behavioral Health ASO Lead

Re: Letter Dated 05/02/22

Date: May 20, 2022

Dear Ms. Ghiladi and Pava,

Thank you for your letter dated May 02, 2022 on behalf of your client, Community Behavioral Health Association of Maryland (CBH). We delayed this letter by a week or more while we addressed most of the issues in it. We appreciate your patience in this regard. Below are the responses to the list of items (in italics) that your client specifically requested in your letter:

State Negative Balance: Amount, Timing, and Process

Letters were sent to providers on May 13th, 2022, via their Incedo download portal, email, and mail. These letters contained the specific amounts due on 5/20/22 for each provider, as well as instructions for remittance.

Calculation of Negative Balances

Provider negative balances are calculated as the lesser of:

a. The amount currently due on May 20, 2022 (with consideration given to reductions in the balance or repayments by the provider) or
b. The amount specified in the demand letter originally issued on or around December 21, 2021.

If the amount currently due has increased since issuance of the original demand letter, this “tail” excess balance will be handled through clipping of future claims. For example: A

provider owes $100,000 based upon the demand letter, and $120,000 on current balance due in the claims history reports. The provider must repay the lesser amount ($100,000) by May 20, and the $20,000 difference will be considered a “tail” amount to be repaid through claims clipping or another payment arrangement approved by MDH.

Dispute Process

All retro-eligibility claims disputes will follow the normal dispute resolution process. (See attached.)

TPL Amounts

The TPL issue is scheduled to be completed by the end of June or sooner. They do not amount to a large sum spread out over nearly 1,300 providers with retro-eligible claims. If those specific claims are in dispute, they may be withheld and paid after the TPL issue has been resolved on a case-by-case basis.

To verify if TPL has been processed accurately, MDH requests data-specific reports from Optum. Softtech (an MDH contractor) also validates Optum's reporting and runs independent reports based on Incedo data.

Claims processed twice, where the second processing resulted in a denial and in the provider receiving only a single payment

These retro-eligibility claims should be addressed specifically on an individual basis with the Provider’s Reconciliation Manager for final resolution.

Each time Optum processes a claim, it assigns a new claim identification number, making it difficult to track the final status of a claim.

MDH is very amenable to working with Optum to alter this practice if it is feasible to do so.

Notice of the Medicaid Negative Balance Amount, Timing and Process

As has been discussed in multiple meetings over the last few months, there are various causes to the different sources of the Medicaid negative balances. The largest cause resulted in amounts that affected just six large IMD providers. MDH and Optum have been working with those providers for many months now, and their balances are also due on 5/20/22.

Many of the other causes affect only four to seven providers each and are for smaller amounts. We will be working with each group individually to determine the most efficient and reasonable way to recoup those dollars going forward, considering that this process may also overlap with Estimated Payment recoupment. MDH is committed to working with providers in a

way that minimizes disruption and that provides adequate advance notice, but each situation may differ in timing and collection. It is important that we address recoupment so that Medicaid Balances do not continue to accrue over time.

Claims on the Medicaid negative balance tab of the claims history report aren't identified by category

We are taking this issue under advisement for further review with Optum. It is our goal to provide as much complete information as possible for each specific category of claims.

Recoupment should be sought only on Medicaid claims paid twice.

As stated above, there are a variety of reasons that resulted in a Medicaid negative balance. Most of them were not due to claims being paid twice. Some were due to fee-schedule and or rate changes, and some were due to State-only claims paid as Medicaid. We will strive to be as specific as possible in the identification of these claims when notice is provided.

How is MDH overseeing Optum's continued progress in correcting denied claims in concert with providers and ensuring that Optum's claim denials are not an attempt to limit its liability?

MDH has asked Optum to specifically address issues (a) through (e) on pages 4 and 5 of your letter in a separate correspondence. We have been working closely with Optum to clean up the $81 million in denials. We have weekly (or more often) progress meetings, and progress reports are sent to Secretary Schrader weekly. That said, MDH does not disagree that there are problems with the denial process. However, we view denials as an entirely separate issue from estimated payments. While it would be convenient for all parties to have every denial reversed and credited against estimated claims balances, that is not a necessity to move this process forward. If a denied claim is ultimately found to be a good claim, it will be paid irrespective of whether it's paid in the normal course of affairs or is credited against still-outstanding estimated claims balances.

Also, please bear in mind that, providers have a one-year repayment plan for the estimated claims. Therefore, as denials are reversed, they will be credited against those declining estimated-claims balances over the next year.

Validation of Exhibit 1 attachment

MDH and Optum would be happy to review and discuss this process in greater detail.

Please do not hesitate to contact us or Optum Maryland with any further questions or concerns.

Sincerely,

Steven R. Schuh
Deputy Secretary for Health Care Financing and Medicaid

CC: Linda Rittelmann
Monica McNeil
Lauren Grimes
Shannon Hall
Lori Doyle
Kathleen A. Ellis