



Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Robert R. Neall, Secretary

November 16, 2020

Hon. Guy Guzzone, Chair
Senate Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis, MD 21401

Hon. Maggie McIntosh, Chair
House Appropriations Committee
121 House Office Building
Annapolis, MD 21401

Re: Joint Chairmen's Report, p. 96 — Report on Optum Administrative Services Organization (ASO) Transition

Dear Chairs Guzzone and McIntosh:

On April 28, 2020, the budget committees granted the Maryland Department of Health an extension of the deadline for the submission of the report on the Optum ASO transition. Pursuant to the 2020 Joint Chairmen's Report, p. 96, the Maryland Department of Health respectfully submits the attached report on the Optum ASO transition.

If you have any questions regarding this report, please contact Director of Governmental Affairs Webster Ye at (410) 767-6480 or webster.ye@maryland.gov.

Sincerely,

Robert R. Neall
Secretary

Overview

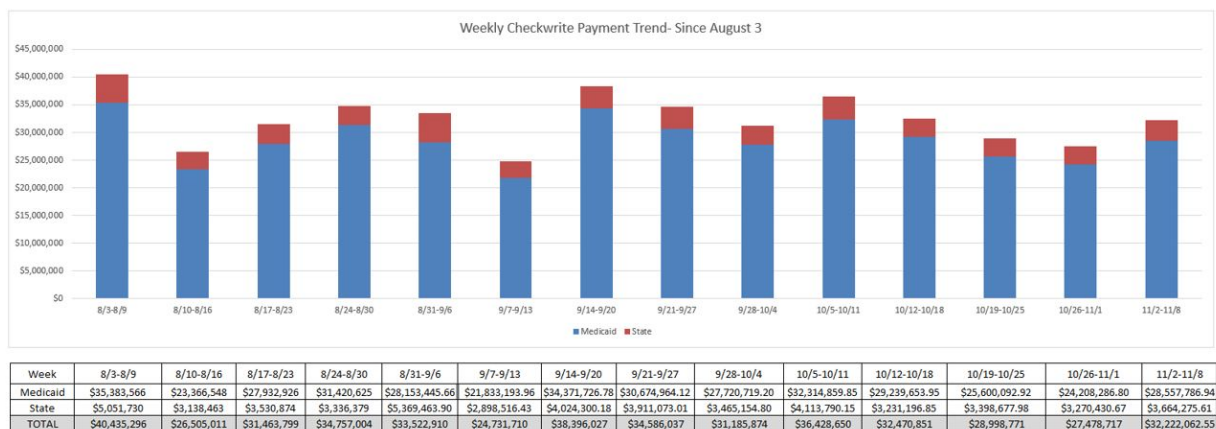
On January 1, 2020, the Maryland Department of Health (MDH) transitioned to Optum Maryland (Optum) for its new behavioral health administrative services organization (BHASO). At its initial launch in January, the Optum system had technical and system failures that impacted behavioral health provider payments. As a result, MDH directed Optum to make weekly estimated payments to the approximately 2,200 behavioral health providers in the state beginning on Jan. 23, 2020 and continuing through August 3, 2020.

Optum has made significant progress in delivering the BHASO system that it promised in its initial contractual bid. As of November 13, Optum is successfully processing claims and has released 14 weekly payments. The reconciliation process for the estimated payments is underway and MDH and Optum will collaborate with providers to develop a recoupment process starting in June 2021.

Estimated Payments and Actual Payments

Weekly estimated payments went to all behavioral health providers from January 23, 2020 through August 3, 2020. These payments were calculated for each provider based on their 2019 historical payment average. Weekly payments averaged approximately \$35 million and approximately \$1.06 billion total by the end of estimated payments on August 3, 2020. As of November 13, 2020, Optum has released 14 weekly payments, totaling approximately \$453 million. Weekly payments are in line with average 2019 historical payments (\$30 - \$35 million).

Figure 1: Weekly Payment Trend, as of November 13, 2020



*Blue indicates State payments and Red indicates Medicaid payments.

Functionality of the BHASO

Optum has made significant progress in delivering the BHASO system that it promised. Since January, Optum has solicited feedback and resolved many technical and system fixes by working with all 2,200 behavioral health providers in Maryland through weekly calls and meetings.

MDH permitted Optum to reactivate its system on July 1, 2020 to accept all new claims submissions and to authorize claims. MDH ended estimated payments on August 3, 2020 and started actual payments on August 13, 2020. As of November 13, 2020 Optum has successfully released 14 weekly payments. Some additional key statistics, as of November 13, are:

- Approximately 3.7 million claims have been entered into the Optum system since July 1
- 97.8% of all care authorizations have been successfully submitted and processed through the system; the remaining 2.2% have been processed per exception processes by Optum.
- 98.5% of all received authorizations have been approved per state requirements and guidelines.
- Current claims denial rate is 16% compared to 13% with the previous administrator. Denial rate is directly related to Optum's execution of MDH payment policy. Provider submission errors continue to be the largest contributor to denials and Optum is working directly with providers experiencing outlier performance.

MDH and Optum are committed to working closely with all providers and organizations who experience technical and system issues. Since the July 1 relaunch, Optum has fielded more than 4,200 provider service inquiries. To assist providers through the transition, there are provider user forums, dedicated provider advocates, and a 4-fold increase in Optum provider relations staff.

Reconciliation of Estimated Payments

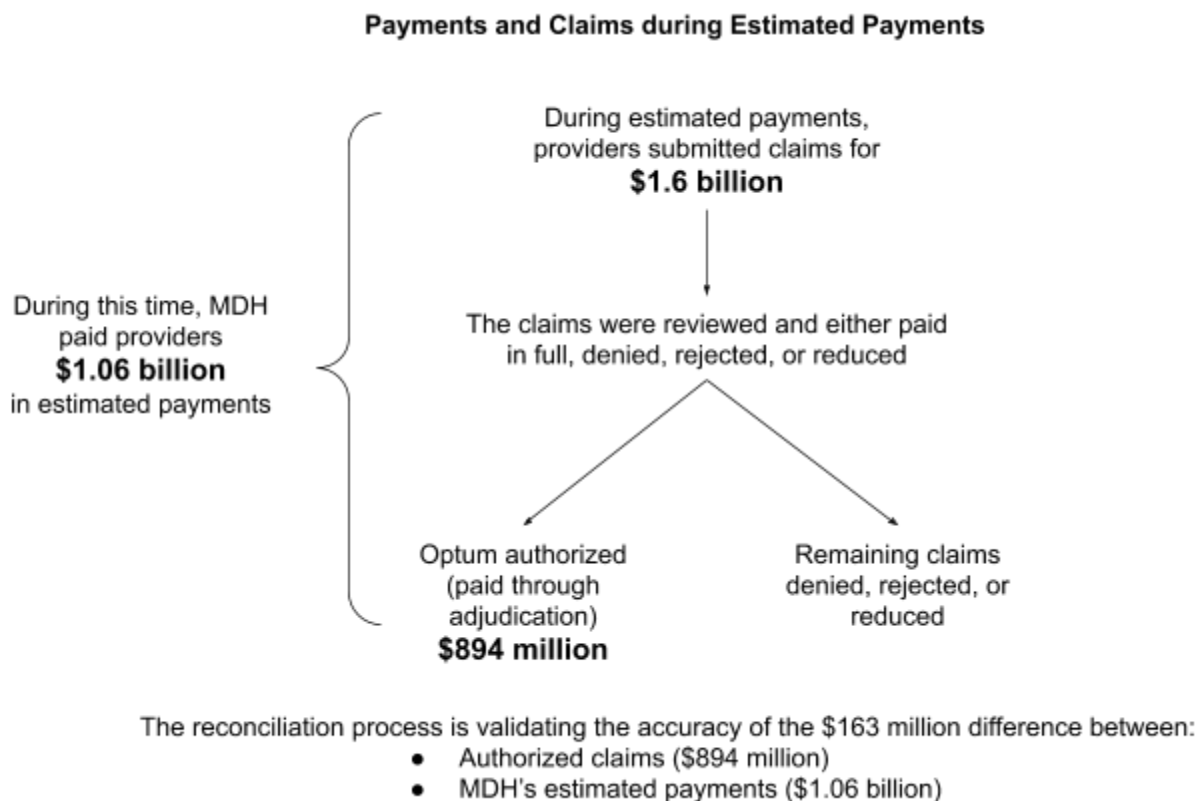
During the estimated payment period, providers were required to continue submitting claims for services rendered during that time frame. Because estimated payments were based on 2019 historical claims submissions, some providers may have been overpaid through estimated payments; others may have been underpaid. MDH and Optum developed a reconciliation process for estimated payments that will give providers ample time and support to review and reconcile claims. Providers are able to request a detailed report to view and validate their claims and can work one-on-one with a Reconciliation Manager who will provide support during the process. As of November 13, 2020, 1,000+ providers have requested a Reconciliation Manager.

The reconciliation process began with Optum distributing key documents to providers. These documents include payment remittance advice (PRA), which inform providers that their invoice

is paid. Prior to distribution, Optum completed quality assurance on all PRAs to ensure accuracy. The majority of these documents were released to providers on September 3, 2020 through September 9, 2020. The remaining documentation will be shared through the end of November.

The amount to be reconciled is approximately \$163 million (the difference between estimated payments provided and actual adjudications). These numbers will change as the reconciliation process continues throughout the next few months. Optum and MDH run aggregate reconciliation amounts weekly and the figure below reflects preliminary numbers calculated as of November 13, 2020.

Figure 2: Payments and Claims made during the Estimated Payment Period (January 23, 2020 through August 3, 2020), as of November 13, 2020



MDH will work with Optum and providers to determine if the \$894 million in authorized claims were approved correctly. In some cases, Optum may have incorrectly denied charges or made payments using incorrect provider rates. However, a significant proportion of the denials may be correct.

Starting on December 1, 2020, we will begin a six month period of “Assisted Reconciliation.” During this six month period, we will focus on ensuring claims meet timely filing requirements, resolve key system issues, and continue to support providers through the process. Based on the information gathered from providers during this period, the deadline for completing reconciliation will be confirmed after the end of this “Assisted Reconciliation” period. Furthermore, at the conclusion of the reconciliation, MDH and Optum will collaborate with providers to develop a recoupment process.

Financial Impact Experienced by Providers

At the initial January launch of the Optum system, providers experienced significant financial impact. MDH took swift action by implementing estimated payments to ensure financial stability for providers. Today, providers are successfully receiving actual payments based on claims.

Preliminary analysis suggests that more providers were overpaid during the estimated payment process than underpaid. Tables 1 and 2 show the estimated range of possible overpayments and underpayments and number of providers in each category. We will collaborate with providers to develop a recoupment process.

Table 1: Estimated possible overpayments and number of providers impacted (as of November 13, 2020)

Possible Overpayments	Provider Count	Overpayments
Providers Owing < \$10K	899	\$3,641,515.59
Providers Owing \$10K <\$50K	668	\$15,616,828.86
Providers Owing \$50K < \$100K	184	\$13,254,298.58
Providers Owing \$100K < \$500K	326	\$72,529,652.80
Providers Owing \$500K < \$1M	54	\$38,468,503.58
Providers Owing \$1M < \$5M	35	\$63,512,857.19
Providers Owing Over \$5M	3	\$18,586,313.89
Total	2169	\$225,609,970.49

Table 2: Estimated underpayments and number of providers impacted (as of November 13, 2020)

Possible Underpayments	Provider Count	Projected Underpayments
MDH Owes < \$10K	188	-\$560,667.97
MDH Owes \$10K < \$50K	84	-\$2,167,923.62
MDH Owes \$50K < \$100K	39	-\$2,793,780.56
MDH Owes \$100K < \$500K	63	-\$14,222,227.53
MDH Owes \$500K < \$1M	10	-\$6,819,904.94
MDH Owes \$1M < \$5M	11	-\$19,259,483.71
MDH Owes Over \$5M	2	-\$15,905,439.37
Total	397	-\$61,729,427.70

Next Steps

MDH and Optum will continue to improve the BHASO system based on user feedback, address any technical or system issues, and move forward with the reconciliation process. Additionally, the Optum clinical teams will evaluate system data and make recommendations for improved health outcomes metrics. Based on this evaluation, Optum, in collaboration with the Behavioral Health Administration (BHA), will re-design the former Outcome Measurement System with the goal of improving quality of care and health outcomes for Marylanders.

Appendix A:
Optum Maryland November 2020 Update

Core Messages:

1. Since August, Optum has executed 16 weeks of claims payment and delivered ~\$453M in claims payments
2. Reconciliation of estimated payments is underway. The final reconciliation support materials (claims payment summaries, etc.) are being distributed to providers by November 30. This completes the handoff of materials required to support the reconciliation process and will enable the “assisted reconciliation” process. Reconciliation will take place from November 2020 through May 2021.
3. MDH and Optum leadership will meet with Maryland State Legislators during the week of November 16 to review the current performance and go-forward strategy for the ASO.

Current State

- **System availability** continues to remain consistent with no major outages.
- Approximately **3.7 million claims have been entered** into the Optum system since July 1
- **97.8% of all care authorizations have been successfully submitted and processed through the system; the remaining 2.2% have been supported by Optum clinicians** based on clinical review policy or provider submission preference.
- **98.5% of all received authorizations have been approved** per state requirements and guidelines.
- **Current claims denial rate is 16% compared to 13% with the previous administrator.** Denial rate is directly related to Optum’s execution of MDH payment policy. Provider submission errors continue to be the largest contributor to denials and Optum is working directly with providers experiencing outlier performance.
- **“Assisted reconciliation” will begin mid-November** and will extend through May 2021. This process will enable providers to fully reconcile estimated payments and submit any corrected claims over this 6-month period.
- Maryland providers continue to have access to an individual **Estimated Payment Reconciliation Manager** to assist with the process of reviewing and reconciling estimated payments with claims submitted.
- Optum will move **customer service support** to its internal, enterprise service operations (currently supported by a vendor) in order to provide improved support to participants and providers.
- **We encourage any provider experiencing issues or with concerns to call or email their provider relations contact** so that we can directly support issues.

Appendix B:
Optum Provider Alerts
For all alerts visit

maryland.optum.com/content/ops-maryland/maryland/en/bh-providers/alerts.html



PROVIDER ALERT

Important Message from Health Secretary Neall on Provider Payments

January 23, 2020

Dear Public Behavioral Health System Provider:

The Maryland Department of Health is committed to ensuring that all Marylanders in our care receive needed behavioral health services. We have an obligation and commitment to you to ensure that you are paid for the services that you render to our patients.

We apologize to you and thank you for working with us and Optum Behavioral Health staff to try to make the system work over the last three weeks.

Optum became the administrative services organization on January 1, 2020. The transition from Beacon Health Options to Optum has not gone smoothly, and regretfully, Optum needs more time to implement the changes necessary to properly authorize and approve claims.

To allow Optum the opportunity to make their claims processing system work, effective immediately, we have directed Optum to begin processing estimated payments based on your average weekly payments in 2019. These estimated payments will begin with the next check cycle that initiates on January 28 and pays on January 31, 2020.

This payment change will affect all Optum Maryland *registered* providers. We will continue these estimated payments until April 20, 2020 or until the Optum system is acceptable to Governor Hogan's customer service promise.

All providers must continue to submit authorization requests and claims for services rendered. Optum will reconcile your claims against estimated payments made. Over/under payments will be addressed every 60 days. MOH will audit Optum activities as well as claims submitted for program integrity. Additional information will be provided as it is developed.

Thank you for being a valued Medicaid services provider. We look forward to continuing to work with you to develop a robust 21st century behavioral health system. If you have any questions, please call 1-800-888-1965 or email marylandproviderrelations@optum.com.

Sincerely,
Robert R. Neall, Secretary

If you're unable to click the links in this email, please click the text above, "View this message in a browser."

[Unsubscribe or update your email address.](#)

Optum | BH Provider Management - PDM Team - MN103-0700 | P.O. Box 1459 |
Minneapolis, MN 55440-1459



PROVIDER ALERT

System Reactivation Confirmed

June 30, 2020

Optum Maryland has indicated to the Maryland Department of Health (MDH) that the Incedo Provider Portal (IPP) system is ready to reactivate tomorrow, July 1, 2020.

After extensive system testing and partnering with provider groups, Optum Maryland and MDH are confident that the IPP system is functioning consistently, reliably, and at a level necessary to successfully process authorization requests and claims.

From July 1 forward, providers must utilize the authorization and claim features in the Incedo Provider Platform (IPP) and payments will be processed through the system.

Below we recap important information relevant to reactivation.

Estimated Payments

As has been previously communicated, estimated payments will be phased out as Optum Maryland begins paying claims through the system. The final estimated payment is scheduled to be paid out on July 16, 2020 and will cover the period ending July 12. The first payment against claims made by Optum Maryland is scheduled to be on July 23, 2020 and will cover the period July 13 through July 19.

Payment against claims means that claims submitted through Sunday of each week become eligible for payment within the next 30 days as follows: Clean claims adjudicate (pay/deny) within 14 days and claims that require additional support or corrections from providers have 30 days to be adjudicated (pay/deny). This aligns with the timing of estimated payments to cease.

Authorizations

Earlier in June, Optum Maryland and MDH announced that authorizations would not be required for dates of service from January 1, 2020 to June 30, 2020. This remains true that authorizations are not required for that time period. Providers will be given a minimum of 90 days notice before any change to this requirement comes into effect. Providers must be sure to retain all appropriate clinical information documented in each patient file which would have been used for obtaining authorizations.

For claims with dates of service beginning July 1, 2020 and forward, an authorization will need to be in the system prior to the date of service for claims to pay.

Authorizations for all dates of service in July, 2020 may be entered throughout the month of July only, after which the system will revert to normal operation.

Providers should discontinue entering authorizations, backdated or otherwise, for the time of January 1 through June 30, 2020. Existing open authorization spans which end in July and beyond will continue until either date range or units are exhausted. At that time, a new authorization request will be needed.

A provider alert detailing these authorization requirements can be found [here](#). The Authorization Requirements Frequently Asked Questions document, which provides further details, can be found [here](#).

Reconciliation

The reconciliation of estimated payments will run on a weekly cycle. Providers will receive Provider Remittance Advice (PRA) documents generated by the completion of each weekly cycle.

What Providers Need To Do

- Providers must continue to use the IPP for entering authorizations and claims.
- Providers should ensure they have a pre-authorization in the system for dates of service beginning July 1, 2020 and forward.
- Providers should report IPP functionality issues to Optum Maryland customer services on 1-800-888-1965.
- All providers are encouraged to register with PaySpan to take advantage of this convenient and free service. PaySpan is free to providers, speeds secondary billings, improves cash flow, and reduces paper usage.
- Users of the IPP system are encouraged to attend the training sessions provided by Optum Maryland and view training videos posted to the Optum Maryland website. These training resources are designed to help providers maximize IPP

functionality. Click [here](#) to view the training calendar for July, and [here](#) to view online training videos.

Optum Maryland will continue to communicate updates regarding this process. Communications will be sent via provider alert, posted on the Optum Maryland website Maryland.optum.com and links to critical communications will be added to the IPP Dashboard. Click [here](#) to access the webpage dedicated to the reactivation effort.

If you have questions about the information contained in this alert, please contact customer service at 1-800-888-1965.

Optum Maryland would like to reassure providers that all of our services are operating as normal during the current national response to COVID-19. Providers can continue to contact us at 1 (800) 888-1965. After-hours and holidays will be covered by clinical night staff for crisis and emergency services.

Thank you,

Optum Maryland Team



PROVIDER ALERT

Reconciliation of Estimated Payments

July 20, 2020

Beginning this week, Optum Maryland and the Maryland Department of Health (MDH) are initiating the process for reconciling estimated payments. The process begins with the distribution of key documents to Providers.

Optum and MDH are working closely to ensure that all phases of the project are executed in a manner that is the least disruptive to the Provider community. Based on the schedule described below, we expect that the reconciliation process will occur over a 13-week period beginning July 20 and concluding the week of October 12. To efficiently manage the process and reduce impact on Providers, the reconciliation will be implemented in five phases. Providers can view a timeline for the reconciliation [here](#).

Supporting Documentation

During Phase 1 of the reconciliation (July 20 – 24), Providers will receive their Reconciliation Summary Reports, the associated Reconciliation survey, and relevant FAQs and Quick Reference Guides to support the process.

During Phase 2 (July 27 – August 7) Providers will receive their Provider Remittance Advice (PRA) documents with the release of Tranche 1 of backlogged claims.

Reconciliation Manager Role

Providers will have the opportunity to work with a Reconciliation Manager if they have questions, concerns, or require clarification on the information contained within the Reconciliation Summary Report. Within the Reconciliation Survey, Providers will be asked if they wish to speak to a Reconciliation Manager to discuss their report. If the Provider checks "Yes," Optum Maryland will follow-up with the Provider by telephone to assign a Reconciliation Manager.

If you have questions or concerns about the information contained in this alert, please contact customer services on 1-800-888-1965.

Thank you,

Optum Maryland Team



PROVIDER ALERT

Reconciliation Summary Reports

July 21, 2020

As Optum Maryland begins the process of reconciliation, we will be distributing Reconciliation Summary Reports to Providers tomorrow, July 22, 2020

These one-time reports reflect the estimated payments issued to the Provider from January 1, 2020 through July 14, 2020, and the associated billed charges and allowed dollars based on claims submitted by the Provider into the Incedo Provider Portal (IPP) for the same period.

The reports are created at the Provider Tax Identification Number (TIN) level. When there are multiple unique Incedo Provider IDs sharing a single TIN, the same report will be available under each unique Incedo Provider ID for that TIN. These reports will be posted to the "Download folder" within the IPP, on July 22, 2020.

To access your reconciliation report:

- Log-in to the Incedo Provider Portal and go to the "Downloads" screen
- In the "Downloads folder" you will see all items that have not yet been downloaded (downloading means clicking on the file and opening/saving it)
- There is a checkbox to display items already downloaded. This checkbox defaults to "unchecked" and will only show new items that have not been downloaded. Check the box to view all items; both new and those already downloaded.

The following documents have been created to support Provider's understanding of the reconciliation process and key documents:

- [Reconciliation Summary Report Quick Reference Guide.](#)
- [Reconciliation Frequently Asked Questions.](#)

These documents, along with all other communications and training materials related to the Reconciliation, will be posted on a dedicated webpage, [here](#).

Optum Maryland will also be distributing a survey relating to the Reconciliation Summary Reports. The survey asks providers a series of questions to identify any questions or concerns with the data on the report. More information, and a link to the survey will be provided in a Provider Alert on Wednesday, July 22, 2020.

If you have questions or concerns about the information contained in this alert, please contact customer service at 1-800-888-1965.

Thank you,

Optum Maryland Team



PROVIDER ALERT

Information Regarding Restarting Claims Payments

August 12, 2020

Optum Maryland is releasing the first claims payment since the relaunch on July 1, 2020. The first restarted claims payment is scheduled for August 13-14, 2020 and covers claims processed during the period of August 3 through August 9. Please note that this payment covers claims that were processed in the Incedo Provider Portal (IPP) from August 3 and **does not** include claims that are part of the reconciliation process.

To support accurate payment accounting, we are taking steps to audit 100% of the Provider Remittance Advice (PRA) received by providers. Providers should be aware of the following important information:

Payment Amounts

- The full amounts due to Providers for claims processed during the period of August 3 through August 9 **will be paid on the following schedule:**
 - Medicaid payment will be made on August 13, 2020
 - State payment will be made on August 14, 2020

Claims Documentation

- Provider Remittance Advice and 835 files corresponding to the payment of claims will be posted to PaySpan. Please note that, while information concerning individual claim determination status is visible on the Incedo Provider Portal (IPP), documentation relating to claims payment will not be posted on IPP.
- Provider Remittance Advice and 835 files will be created based on each unique combination of TIN/NPI# and provider type.
- In an abundance of caution, Optum Maryland is auditing 100% of PRA. This audit process has been underway over the past week and will continue for a few more days. As a result of the audit timing, 82% PRAs associated with Medicaid payments will be loaded into PaySpan on Thursday, August 13 and 88% associated with State payments will be loaded by Friday, August 14. The remaining PRAs will be loaded every day as auditing is completed. The audit process is expected to be fully complete by August 21.
- This audit process delay will not affect actual payments, which will be made as scheduled, only the release of the PRAs.

Provider Action

- To ensure timely payment of claims, Providers should routinely submit claims into the IPP. Claims processed Monday through Sunday each week will be included in the weekly payment cycle.
- Routine processing of claims may take up to 14 calendar days from the date of submission. For example, claim batches submitted on August 8 may be processed anywhere between August 9 through until August 22.

If you have questions about the information contained within this alert, please contact Optum Provider Relations at 1-800-888-1965.

Thank you,
Optum Maryland Team



PROVIDER ALERT

Update to Tranche Release of Claims

September 2, 2020

As Providers are already aware, Optum Maryland began the process of releasing Provider Remittance Advice (PRA) documents and 835s relating to backlogged claims, as part of the reconciliation, in July. At this time, we would like to inform providers of some updates to the claims release process, which are outlined below.

Release of claims

Optum Maryland recognizes that providers need to see the full history of PRAs and 835s to update their local management system with all applicable claims and validate against their own records. As such, we are preparing to release the majority of the reconciliation PRAs and 835s between September 3 and September 9, 2020.

Quality assurance

To ensure accuracy of the PRAs and 835s that are being released, Optum Maryland is conducting quality assurance (QA) assessments of all documents prior to their release. As a result, some providers may continue to receive PRAs and 835s through the month of September until the QA process is complete. Optum Maryland will begin to contact individual impacted providers on September 10th.

Reconciliation Survey

If you have not already done so, Optum Maryland encourages you to respond to the Reconciliation Survey, [here](#). Completion of this survey will be critical to the next steps in the reconciliation process.

If you have any questions regarding the information contained within this alert, please contact customer services on 1-800-888-1965.

Thank you,

Optum Maryland Team

PROVIDER ALERT
Information on Claims Reconsideration, Grievances and Appeals
for Reconciled Claims
September 4, 2020

The information in this alert relates only to claims that have been released as part of the process of reconciling estimated payments with actual payments (“reconciliation”).

This alert provides details on submitting an appeal. If you wish to submit a corrected claim, please see the relevant procedure in a provider alert posted [here](#).

This alert provides additional information regarding the steps and timing for claims grievances and appeals for claims released as part of the reconciliation. Although claims are being reconciled in tranches, reconciliation is not complete until the date that the final tranche release is completed. Optum Maryland will send an alert to providers when the tranche release is completed. **Providers will have up to 90 calendar days AFTER the final reconciliation tranche is completed to seek reconsideration of denials.**

Step 1: File a reconsideration request to Optum.

Once a provider has established that a denied claim should have been paid (by referencing the [Maryland PBHS Billing Appendix](#)) the provider should contact the call center at 1-800-888-1965 to dispute the denial. If the provider disagrees with the results of the call and continues to receive a denial, then they may file an appeal.

Documentation* for a denial reconsideration request that shows the denial was incorrect, should be sent to Optum by either:

- Fax to 1-844-913-0799
- Mail to Optum Maryland: ATTN Grievances and Appeals Department, P.O. Box 30532, Salt Lake City, UT 84130.

**Documentation may include claim images, medical records, or any document or evidence that supports the Provider’s case.*

Step 2: Filing a grievance to the BHA for an Optum denied reconsideration.

If Optum upholds the initial denial (in Step 1), and the provider disagrees with Optum's decision, then the provider may file a grievance to the Behavioral Health Administration (BHA) **in writing within 10 days** of notification of Optum Maryland's decision by:

- Email to BHA.Appeals@maryland.gov (preferred), or
- Mail to Behavioral Health Administration, ATTN: Grievances and Appeals, Spring Grove Hospital Center - Vocational Rehabilitation Building, 55 Wade Avenue, Catonsville, MD 21228.

Step 3: Appeal to the Maryland Office of Administrative Hearings (OAH)

If the provider disagrees with BHA's decision on a Provider grievance of a denied claim (step 2), the provider may appeal **in writing within 30 days** of BHA's decision to the Maryland Office of Administrative Hearings (OAH).

Additional information related to grievances and appeals is included in Section 9 of the Optum [Maryland PBHS Provider Manual](#).

If you have any questions regarding this alert, please contact customer service at 1-800-888-1965.

Thank you,

Optum Maryland Team



PROVIDER ALERT

Detailed Reconciliation Report

November 5, 2020

Optum Maryland has begun the release of Detailed Reconciliation Reports to providers who requested these reports via the Reconciliation Survey. The Detailed Reconciliation Reports will be released in three parts, with the initial Summary Report already released and available to view in the “Downloads” folder within the Incedo Provider Portal (IPP). Providers are expected to receive all three reports by November 6, 2020.

Providers who requested a Detailed Report will receive an email when the reports are ready; and providers who did not request a detailed report can do so by completing the Reconciliation Survey, [here](#).

If you have questions regarding the content of this alert, please contact customer service on 1-800-888-1965.

Thank you,

Optum Maryland Team



PROVIDER ALERT

Update on Reconciliation Process

November 12, 2020

Optum Maryland and the Maryland Department of Health (MDH) have appreciated provider feedback regarding the Reconciliation process. With consideration of providers' workload and staffing conditions, we are committed to actively working with providers to understand challenges with Reconciliation and to identify additional support needed to further tailor the Reconciliation approach.

The information presented in this alert is intended as an introduction to the new process. We will follow up with further information and resources including an FAQ, a process training video, and a roadmap to guide providers through the reconciliation process outlined here.

On December 1, 2020 we will begin a phase of "Assisted Reconciliation" for a 6-month period applying to dates of services prior to August 3. During this period, we will:

- Focus on ensuring claims submission meets the timely filing requirement*
- Make an exception during the 6-month timeframe for the **90-day** appeal time frame to not apply to dates of service prior to August 3, 2020
- Make an exception during the 6-month timeframe for the **60-day** reconsideration time frame to not apply to dates of service prior to August 3, 2020
- Concentrate on resolving key system issues such as the 277CA report and Retro-eligibility.
 - As defects are resolved, Optum will proactively identify all claims impacted by the defects that are eligible for reprocessing. Optum will then submit them for review.

****Please note:** To maintain compliance with Federal Regulations, timely filing rules remain unchanged; claims must be filed within 1 year of date of service. As a result, we have developed a schedule to assist with meeting these deadlines.*

Assisted Reconciliation will occur in steps which will begin with ensuring submitted/resubmitted claims are accounted for within Incedo and end with a review of

denials, for the period of 2019 through August 3, 2020. To best facilitate this process, we will target two-month intervals as noted below:



Although providers are not required to supply feedback to us during this process, provider engagement will be an essential factor in improving the overall reconciliation process and confirming timeline completion. Based on information gathered from participating providers, the deadline for completing reconciliation will be confirmed after the end of the Assisted Reconciliation period.

Once we have completed all two-month reconciliation intervals, we will collaborate with providers to develop a recoupment process.

If you have questions about the content of this alert, please contact customer service at 1-800-888-1965.

Thank you,

Optum Maryland Team

Appendix C:
Legislative Updates



Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Robert R. Neall, Secretary

July 17, 2020

The Hon. Bill Ferguson
President of the Senate
H-107 State House
100 State Circle
Annapolis, Maryland 21401

The Hon. Adrienne A. Jones
Speaker of the House
H-101 State House
100 State Circle
Annapolis, Maryland 21401

Dear President Ferguson and Speaker Jones:

The Maryland Department of Health (MDH) and Optum Behavioral Health (Optum) are continuing efforts on the Behavioral Health Administrative Services Organization (BHASO) transition. We thank you for your previous contact and interest in this very important matter.

Since January, MDH and Optum have been working diligently to repair and resolve the technical and system issues experienced by providers. Optum has made tremendous strides in delivering the BHASO system that it promised in its initial contractual bid. As such, MDH permitted Optum to fully reactivate its system on July 1, 2020 to accept all new claims submissions and to authorize claims.

MDH and Optum are committed to ensuring an efficient BHASO system. We continue to work closely with providers regarding technical issues in the claims process. To ensure these specific concerns are addressed, we are extending estimated payments through August 6, 2020 and will start actual payments on August 13, 2020.

The claims reconciliation process will continue as planned and additional information will be given to providers. During this extension, the outstanding technical issues will be addressed so the transition to actual payments on August 13 can occur smoothly.

It is critical that Maryland moves to an actual and authorized claims payment process at the earliest opportunity to maintain budget stability in state fiscal year 2021, and to ensure a federal funding match for the Medicaid services rendered. We cannot continue estimated payments indefinitely. We intend to hold both Optum and providers accountable for ensuring that quality behavioral health services are delivered to Maryland's Medicaid behavioral health beneficiaries and that those services are accurately and promptly paid so that we meet both federal and state audit standards.

We recognize the impact this change in process may have on providers and are committed to sharing as much critical information as frequently and as timely as possible. We urge providers with system or technical issues to work with Optum Provider Relations at 1-800-888-1965 or Marylandproviderrelations@OPTUM.com. Optum has instituted and continues to provide

conciierge customer service to its providers, including assigning volume providers dedicated staff contacts.

Please do not hesitate to contact me at robert.neall@maryland.gov or Webster Ye, Director of Governmental Affairs at webster.ye@maryland.gov.

Sincerely,



Robert R. Neall
Secretary

cc: The Hon. Mike Miller
The Hon. Guy Guzzone
The Hon. Delores G. Kelley
The Hon. Paul Pinsky
The Hon. Brian Feldman
The Hon. Melony Griffith
The Hon. Katherine A. Klausmeier
The Hon. Addie Eckardt
The Hon. Jack Bailey

The Hon. Nic Kipke
The Hon. Kathy Szeliga
The Hon. Shane Pendergrass
The Hon. Joseline Peña-Melnyk
The Hon. Susan Krebs
The Hon. Matt Morgan
The Hon. Lauren Arikan
The Hon. Teresa Reilly
The Hon. Steve Arentz
The Hon. Brooke Lierman
The Hon. Sid Saab
The Hon. Mark Fisher
The Hon. Carl Jackson



Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Robert R. Neall, Secretary

July 27, 2020

The Hon. Bill Ferguson
President of the Senate
H-107 State House
100 State Circle
Annapolis, Maryland 21401

The Hon. Adrienne A. Jones
Speaker of the House
H-101 State House
100 State Circle
Annapolis, Maryland 21401

Dear President Ferguson and Speaker Jones:

The Maryland Department of Health (MDH) and Optum Behavioral Health (Optum) are continuing efforts on the Behavioral Health Administrative Services Organization (BHASO) transition. We thank you for your previous contact and interest in this very important matter.

Since January, MDH and Optum have been working diligently to repair and resolve the technical and system issues experienced by Maryland's Behavioral Health providers. Optum has made strides in delivering the BHASO system that it promised in its initial contractual bid. MDH permitted Optum to fully reactivate its system on July 1, 2020, after a series of provider testing and continuous communications, to accept all new claims submissions and to authorize claims.

As provided in our update on July 17, 2020, we are on track to discontinue estimated provider payments and resume actual payments starting on August 13, 2020. In our outreach with the 2,200 behavioral health providers and our evaluation of the Optum technical system during July, we have confidence in this system and continue to receive provider feedback. For more information, please reference the attached Optum fact sheet.

Last week, MDH and behavioral health providers began the very first phase of the estimated payments reconciliation process. We anticipate this discussion with providers will supply an accurate accounting of which actual claims submitted will be reconciled with the estimated payments made and claims authorized. Based on our initial fiscal overview, we expect that the amount of overpayment of estimated payments to providers will be substantially above the amount of claims authorized and may result in funds being returned to the General Fund over the course of this fiscal year. Please reference the reconciliation timeline attached for more information at "BH ASO Reconciliation Update 07.24.2020."

Community Behavioral Health of Maryland (CBH) has provided MDH and Optum with a mixed response on the Optum technical system. In our independent outreach to CBH's members, 37 of their providers have communicated directly with the Optum and/or MDH team regarding the system and technical assistance provided to them in this transition period. MDH and Optum maintain weekly operational user discussions with all of our major provider associations, and all

representatives are encouraged to work with us through the technical channels to identify and resolve matters. CBH, on July 24, 2020, provided a Friday afternoon document entitled “Member Concerns.” MDH and Optum have collaboratively reviewed and discussed the issues with CBH leadership on a Saturday telephone call.

CBH has requested engagement with their members through a temporary Provider User Group to discuss certain CBH providers’ items. We intend to accommodate their request, but intend to emphasize that their member providers work with MDH and Optum on constructive and good faith discussions. Requests to continue with estimated payments or to return to the previous behavioral health administrative services organization vendor are not constructive to the objective of resolving provider change management issues.

Additional responses to the CBH document are attached as “Optum Maryland CBH Response.”

Please know that we recognize the significant impact that reactivation may have on providers and are committed to sharing as much critical information related to reactivation as frequently and as timely as possible. To ensure that all system and technical issues are addressed effectively and efficiently, we urge providers to utilize the established process and protocols by contacting Optum Provider Relations at 1-800-888-1965 or Marylandproviderrelations@OPTUM.com. Optum has instituted and continues to provide concierge customer service to its providers, including assigning volume providers dedicated staff contacts.

MDH and Optum are committed to ensuring a fully functioning and efficient BHASO system. As such, we do not concur with a limited set of providers whose request has been to continue estimated payments indefinitely. We intend to hold both Optum and providers accountable for ensuring that quality behavioral health services are delivered to Maryland’s Medicaid behavioral health beneficiaries and that those services are accurately and promptly paid so that we meet both federal and state audit standards.

Please do not hesitate to contact me at robert.neall@maryland.gov or Webster Ye, Director of Governmental Affairs at webster.ye@maryland.gov.

Sincerely,



Robert R. Neall
Secretary

Core Messages:

1. Current system is live and is performing appropriately.
2. Estimated payments will continue through August 6, 2020 with the first claims payment will be scheduled for August 13, 2020.
3. Reconciliation of estimated payments is underway. Providers received a “reconciliation report” on Thursday, July 23rd to assist with evaluation of their accounts receivable reconciliation. Providers will begin receiving claims payment summaries (known as “835s” and “Payment Remittance Advice”) on July 27.

Current State

Optum Maryland has established full use of the authorization and claims administration system. We have also begun the reconciliation process. Overall feedback from majority of providers has been positive and they are ready to move forward. We are facing resistance from a specific subset of providers supported by the CBH advocacy group.

- **99.9% system availability** since reactivation on July 1.
- **95.1% of all care authorizations have been successfully submitted and processed through the system;** 4.9% have been processed manually by Optum.
- **99.6% of all received authorizations have been approved** per state requirements and guidelines.
- **511,229 claims have been submitted**, all of which are in the process of adjudication for payment.
- **For the month of July average claims adjudication turn-around time is 1 day and only 2.8% of claims are pended greater than 14 days**
- Current claims **denial rate is ~9% compared to 13%** with the previous administrator.
- Since January, **\$180M of claims denials driven by provider submission errors.**
- Optum’s **disciplined application of MDH claims policies has created abrasion** with some providers who view this as a “policy change” as the previous administrator enforced the policies inconsistently.
- Maryland providers have been provided an **Optum Provider Relations contact** to handle specific business issues.
- A process is in place to **complete the reconciliation by the end of September.** Additional details on this process will be provided to Maryland providers in July.
- **We encourage any provider experiencing issues or with concerns to call or email their provider relations contact** so that we can ensure all issues are addressed in a timely manner.

Reconciliation Process and Timeline

Week 1

Optum / MDH:

- MDH approval of Reconciliation process and timeline
- \$ Amounts to be dispersed provided to MDH Finance
- Distribute Reconciliation summary reports to Providers and MDH.
- Provider Alert, associated documentation, and Reconciliation Survey distributed

Weeks 2-3

Optum / MDH:

- Collect/analyze survey response, tabulate results, report findings to Leadership
- Assign Reconciliation Case Managers
- Generate submission analysis reports as requested by providers
- Issue Provider Alert re: Common Rejection Errors
- Conduct training re: Common Rejection/Denial Errors
- Conduct training re: PRA's
- MDH approval of disbursement dollars

Weeks 4-6

Optum / MDH:

- Release Reconciliation backlogged claims
- Process retro claims received
- Conduct training re: Common Rejection/ Denials Errors
- Conduct training re: PRA's
- Reconciliation Case Managers engage with providers
- Optum delivers Refreshed Reconciliation reports to MDH
- Reconciliation status summary provided to leadership

Weeks 7-12

Optum / MDH:

- Resolve submitted appeals
- Process received retro claims
- Refreshed Reconciliation reports analyzed
- Reconciliation Case Managers continue to engage with providers
- Reconciliation status summary provided to leadership

Weeks 13

Optum / MDH:

- Prepare Reconciliation outcomes summary report
- Evaluate return to standard appeal processing
 - Case Manager have close out meeting with providers
- Refreshed reconciliation reports analyzed
- Financial analysis of recoupment effort conducted
- Review and refine recoupment process

Providers:

- Review Reconciliation Summary Report
- Begin validating records
 - ✓ Are claims submissions correct?
 - ✓ Is the denied and disallowed amounts as expected?
- Respond to Reconciliation Survey

Providers:

- Continue to review Reconciliation Report
- Continue to submit responses to Reconciliation Survey
- Analyze Submission Analysis Report and start to submit missing claims
- Attend Provider Training
- Meet with Case Manager, as needed

Providers:

- Receive reconciliation check-write/ remittance advices with detailed claims information
- Review remittance advices for reconciliation claims Submit Appeals for incorrectly adjudicated claims.
 - ✓ Identify and submit claims that are missing
- Attend Provider Training
- Meet with Case Manager, as needed

Providers:

- Review remittance advices for reconciliation claims Submit Appeals for incorrectly adjudicated claims.
 - ✓ Identify and submit claims that are missing
- Attend Provider Training
- Meet with Case Manager, as needed

Providers:

- Close out meeting with Case Manager
- Agreement with Reconciliation Appeal outcomes
- Close out open A/R

Provider Communication

*Assuming week 1 starts the week of July 20th, process will end in mid October



On July 24, CBH documented numerous concerns about the functionality and performance of the Incedo platform. CBH providers asserted the following:

- Poor **Technology Performance** relating to system availability, system errors and HIPAA compliance.
- **Claims Transaction Reporting** (“EDI Transactions”) have not met provider expectations.
- **Case Rate Claims** adjudication has recently been remediated and providers want to see demonstrated performance before ending of estimated payments. Providers also concerned about application of MDH policy related to claims payment timing.
- **Policy Changes** are not implemented correctly or are unannounced.

Core Response: Optum and MDH have thoroughly reviewed every item contained in the CBH summary. Overall, items are related to past (remediated) issues, dissatisfaction with state policy and general provider misunderstanding. The characterizations made by CBH are generally incomplete, inaccurate or no longer relevant.

CBH has requested to engage a Provider User Group aimed at addressing process and systematic interests and we have accommodated the request.

The following summarizes the Optum and MDH response to the key areas of concern.

1. **Technology performance**

- **99.9% system availability** since reactivation on July 1.
- There been **38K logins to IPC** since July 1.
- **412K claims** have been successfully entered via IPC since July 1.
- **Enhanced testing, monitoring and notification processes have been implemented** to continually assess performance.
- **Optum resolved July 23rd privacy breach immediately** - providing root cause, resolution and prevention steps to MDH in accordance with contract requirements.

2. **Claims Transactions Reporting**

- **“999 reports” are in place and functioning per MDH requirements.** 95% of 999 transactions are successfully received by providers. Optum is remediating any reporting issues and will actively monitor transactions and will communicate directly with providers in the case of a claims submission error.
- **“835 reports” are in place and functioning per MDH requirements.** 835 reports are released to providers as part of the reconciliation process and all claims payments. 835s associated to the 1/1/2020 - 6/30/2020 claims will be released 7/27 through 8/10.
- **“277CA” requirements have been documented and confirmed with MDH.** Optum is prioritizing this report. The development, testing and delivery timeline is to be confirmed by Monday, July 27.

3. **Case Rate Claims**

- **Optum Maryland implemented fixes** related to case rate payments on July 1. System testing has occurred, and claims are processing correctly.
- **There are 287 Case Rate claims currently pending greater than 15 days old**, with the goal to be resolved by 7/27. Examples of pending claims cited by CBH providers were **claims submitted within the last 2 weeks and are not out of compliance.**

4. **Policy changes**

- **Optum has accurately applied policy changes in accordance with MDH Guidelines and direction.** Optum and MDH are committed to communicating policy and system changes as quickly as possible to enable appropriate provider planning.



Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Robert R. Neall, Secretary

August 12, 2020

The Hon. Bill Ferguson
President of the Senate
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Annapolis, Maryland 21401

The Hon. Adrienne A. Jones
Speaker of the House
H-101 State House
100 State Circle
Annapolis, Maryland 21401

Dear President Ferguson and Speaker Jones:

We thank you and your members for your previous contact and interest in the Behavioral Health Administrative Services Organization (BHASO) transition. We have previously written to you about our transition to actual payments. As we prepare for this transition, we are sharing a few updates.

Optum has made strides in delivering the system that it promised. We are excited to start actual payments tomorrow, August 13, 2020. This will ensure that all providers are paid based on actual service delivery, that Maryland maintains budget stability in the state fiscal year 2021, and the federal government renders a funding match for Medicaid services.

We will be making a payment of \$40,435,295.91 to providers this week, primarily through direct deposit. This amount is in line with our typical weekly payments. In an abundance of caution, Optum is auditing 100% of providers' payment remittance advices (PRAs). PRAs are used to inform providers that their invoice is paid and these as helpful tools for providers. The audit process has been underway over the past week and will continue for a few more days. As a result of the audit timing, 84% of PRAs will be available to providers this week. The remainder will be available within a few days.

At the same time, Optum and MDH are continuing the claims reconciliation process. The process started July 27 and is planned to continue through mid-October. This gives providers ample time to review and reconcile claims and seek individual assistance from Optum. Based on our initial fiscal overview, we expect that the amount of overpayment of estimated payments to providers will be substantially above the amount of claims authorized and may result in funds being returned to the General Fund over the course of this fiscal year.

We are committed to addressing any system and technical issues as effectively and efficiently as possible. We urge any provider who is facing issues to contact Optum Provider Relations at 1-800-888-1965 or Marylandproviderrelations@OPTUM.com. Optum continues to provide concierge customer service to its providers, including assigning volume providers dedicated staff contacts.

Please do not hesitate to contact me at robert.neall@maryland.gov or Webster Ye, Director of Governmental Affairs at webster.ye@maryland.gov.

Sincerely,

A handwritten signature in blue ink that reads "Robert R. Neall". The signature is fluid and cursive, with a long horizontal stroke at the end.

Robert R. Neall
Secretary