

Mental health and addiction providers face financial and staffing pressures: 'Like a game of whack-a-mole'

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Credit: CC0 Public Domain

Seven-year-old Lily Williams has a genetic condition called Phelan-McDermid syndrome that causes developmental and speech delays. With

therapy and effort, the affectionate ponytailed youngster is playing with toys, potty training and using a device to say, "Hello," and describe herself as "silly."

The huge milestones are matched by big bills for the services Lily receives. They're paid through the St. Mary's County family's private insurance and, until recently, with Medicaid funds.

"She's smart and knows what's going on around her, but she's locked in this body that doesn't respond when she needs it to," said her mother, Anna Williams. "There is something that can help her—and someone comes along and doesn't want you to be able to access it."

Lily's provider no longer accepts Medicaid, federal-state [health](#) insurance, for [low-income people](#) and patients like Lily who have rare, expensive conditions. That's costly for the family—and a potential warning for others seeking behavioral health care.

Mental health and addiction service providers say they're stressed, with patient demand up and staff levels down during the coronavirus pandemic. Some may have to scale back services, or even leave the Medicaid program, like Lily's provider.

Adding to the pressure in Maryland is a bill that providers weren't expecting to be so high.

The state's Medicaid claims process was taken over in 2020 by Optum, a subsidiary of UnitedHealth Group. It won the contract after bidding that it could do the job for \$50 million less than the previous administrator's proposal of \$189 million over seven years. Following the change, the process was initially so dysfunctional that state health officials asked Optum to make estimated payments to providers.

Now, Optum is seeking to recoup \$200 million, or about 20% of the total estimated payments, from a portion of the 2,200 doctors, hospitals, clinics and other facilities that offer services through Medicaid. Optum and state health officials, who oversee Optum's contract, say providers knew they would have to repay funds if they didn't perform the services or the services were not covered.

But providers dispute the tally and fear the situation will further affect their patients' access to care, and not just through Medicaid, the dominant insurer for behavioral health treatment in Maryland with \$1.4 billion in annual claims for more than 200,000 residents at the pandemic's start.

Providers say the state already faces a crisis, with record opioid overdose deaths, growing youth suicide attempts and increasing emergency room visits for behavioral health crises since 2020.

Optum officials say they are working one-on-one with providers to gather documentation on each claim they believe was denied improperly and adjust what providers must repay. But Optum and [state officials](#) insist most issues are resolved and the overall denial rate of 15.5% is on par with industry standards.

Andy Owen, a Maryland Department of Health spokesman, added that small claims of less than \$10,000 were forgiven.

Aaron Albright, an Optum spokesman, said that of more than \$1 billion in estimated payments, less than the \$200 million initially contested or unresolved remains to be addressed.

"Parties agreed that these estimated payments would be reconciled with actual service history," he said.

Lily's provider, Personalized Therapy, did not respond to a request for comment. Her mother provided a ledger to The Baltimore Sun listing months of unpaid claims for the Medicaid portion of her bills, as well as emails indicating the provider was ending its Medicaid contract, a decision Anna Williams attributed to the billing problems.

Albright said records indicate the provider voluntarily dropped out of Medicaid in December, and a quick review by Optum officials showed both paid and denied claims.

Owen said a lower than average number of providers left the Medicaid program during the pandemic.

That doesn't mean therapists and other staffers aren't under strain, said officials at another Maryland mental health provider, Partnership Development Group. Workers there scrambled to switch patients to telehealth services when its three clinics closed for the pandemic, but they also had to seek out those who dropped out of care, said Sondra Tranen, the group's executive vice president.

She said the broken Medicaid claims system situation made the situation worse, eating up valuable staff time on paperwork.

Optum would "fix one thing and something else would come up, like a game of whack-a-mole," she said. "The burden was on providers to explain what wasn't working because they [Optum] couldn't see it. They're constantly saying they 'found some missing files.'"

Optum says Partnership Development Group must pay back about \$100,000 more than the provider's records indicate it should, Tranen said. That's the equivalent of paying two workers for a year.

The group has leaned on cash reserves to maintain staff and services,

though it now has a waiting list of potential patients.

"Those folks we aren't seeing don't have much of an alternative," she said. "They have to go to a clinic that has walk-in services or the emergency room."

The increased needs are evident, said Shannon Hall, executive director of the Community Behavioral Health Association of Maryland. It represents about 100 mental health and addiction treatment organizations.

She said some providers are offering fewer services. A quarter have laid off staff and all have vacancies. That means some people likely couldn't get care even if they had insurance.

Hall said access is especially acute with children. She said recent reviews show a 30% decline in kids using specialty mental health services and 46% increase in emergency visits for youth suicide attempts.

"Providers are struggling with huge vacancies in front-line therapy positions and residential programs," Hall said. "When you don't have staff, you can treat fewer people. We have to understand the billing problems are not happening in a vacuum."

Hall said the association believes \$70 million of the \$200 million needs to be repaid, with the remainder being claims that Optum wrongly denied or that are unresolved.

During the General Assembly session that ended last Monday, Hall said lawmakers passed a 7.25% Medicaid rate increase for behavioral health providers and added language to the budget to withhold \$1 million from the state health department pending a report on the amount of overpayments and disputes that remain unresolved.

Lawmakers also included \$13 million to increase the level of provider debt forgiveness to \$25,000, but failed to pass a separate bill that would require an "administrative service organization" to provide specific documentation before requiring repayments. State health officials believed that measure would have been unconstitutional because it effectively targeted one company: Optum.

Del. Geraldine Valentino-Smith supported the measures and sponsored the failed legislation with fellow Prince George's County Democrat Sen. Malcolm Augustine. She said providers supplied essential services during the pandemic and "should not carry the financial burden of covering for a multibillion-dollar global company that failed to meet its contractual obligations to the state."

The state should protect providers from "paying back money they don't owe by putting in place clear pathways for providers to adjudicate claims," Valentino-Smith said. "Demand for behavioral health services is at an all-time high and we have to ensure that providers can continue to meet the needs of our communities."

To be sure, state health officials have bolstered health services before and during the pandemic, such as expanding telehealth services.

They announced this month an enhanced database on [PressOne.211MD.org](https://pressone.211md.org) to help Marylanders find mental health and addiction services. Officials cited a January census survey finding 32% of adults had symptoms of anxiety or depression and 13% started or increased substance use to cope.

"In Maryland, we have a robust array of behavioral health services available—if you know how to find them," said Dr. Aliya Jones, the state's deputy secretary for behavioral health, in a statement. "We hope that this enhanced resource will make it easier for people to identify and

access treatment resources, so they can maintain or improve their [mental health](#) during these challenging times."

Anna Williams remains committed to getting her daughter the services she needs and drawing attention to the broader needs.

She believes most people don't understand the number of people seeking services, the breadth of conditions falling under the behavioral health umbrella or the difficulties in finding appropriate treatment.

Williams planned to reduce her hours as a financial manager at her church to focus more on Lily and Lily's twin brother, but decided to stay and keep her full salary when her health care costs jumped. She didn't want to interrupt Lily's progress with applied behavior analysis, or ABA therapy. It improves communication, behavior and life skills in those with autism spectrum disorder, a diagnosis linked to her syndrome.

"The bucket of behavioral health is so big," Williams said. "People may think, 'A small group of people aren't getting a lot of help, but what does that matter?' It's not just a small group of people."

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