Date: December 6, 2018
To: Jerin Philip, Senior Associate, Pew Charitable Trust
From: Carolyn Petrak, Associate Executive Director, Ability Network of Delaware
RE: Summary of Payment Issues Experienced by Treatment Providers of Substance Use Disorders in Delaware

On September 12th, 2018 the Ability Network of Delaware conducted a roundtable meeting with the CEOs of its member organizations that provide behavioral health services. Three organizations that do not belong to the provider association accepted an invitation to attend; two of them subsequently joined the association.

The invitation included the following discussion topics:

- Payment delays and denials by Managed Care Organizations (MCOs);
- Failure of the MCOs to comply with the provisions of SB 109, which was intended to remove preauthorization procedures that created barriers to treatment for mental health and substance use disorders, but which has increased the amount of uncompensated care, instead; and,
- Failure of the Division of Medicaid and Medical Assistance (DMMA) to enforce provisions in the contracts with MCOs and in state statutes regarding the use of ASAM in determining "medical necessity;"

The CEOs of substance use disorder (SUD) service providers who were present at that meeting unanimously agreed that the MCOs are engaging in widespread, financially damaging reimbursement practices. A quick survey of those in the room yielded a total of about $15 million in accounts receivable for SUD treatment, which included millions of dollars of claims that were left unpaid by United Health Care when they exited the state.

Below is a summary of the most significant payment issues for community service providers, which ultimately cause issues with access to care for Delawareans seeking SUD treatment. Ability Network's members say that these payment issues are one of the largest barriers for individuals accessing evidence-based practices and for getting the length of care that the use of the ASAM criteria would indicate is appropriate. This is because MCOs are either using utilization review procedures to deny claims services are already provided or are not authorizing the continuation of services when someone is in treatment.

1. Payment delays and denials by MCOs, which have resulted in millions of dollars in accounts receivable across all providers for services that are delivered according to the contracts and regulations that currently exist. This alone threatens the continued ability of service providers to deliver critical services.

Consequently, many operate on lines of credit to make payroll and keep programs open, limiting the ability of providers to hire and retain staff needed to address treatment needs. These are examples of how these delays and denials occur:

a. Denial of claims due to the provider using "wrong" reimbursement codes and refusal by the MCO to provide advice or guidance on the correct billing codes.
b. Noncompliance with the provisions of Senate Bill 109, which specified that MCOs must not use preauthorization processes to prevent admission to programs for people meeting ASAM criteria for 5 days hospitalized detox, 14 days inpatient services, and 30 days of intensive outpatient services. Although "prior-authorization" is no longer required, Highmark now requires "notification" of these services and if that is not given, claims for services allowed under the law are being denied.

2. Promises are made by DMMA to help providers resolve the accounts receivable issues, but aside from some lump sum advance payments that have been made, the billing issues are not being addressed by DMMA or the MCOs at a systems level. On October 29th, a presentation by Secretary Walker mentioned the "creation of a Provider/DMMA/DSAMH work group to convene and begin detailing specific provider billing issues," but to date, this group has not been convened.
    a. Providers also fear that even if the claims were paid, the rates published by DSAMH in the Delaware Adult Behavioral Health DHSS Service Certification and Reimbursement Manual are too low to support the services that are contractually required and that the rates have not been evaluated or reviewed since 2016. For this reason A.N.D., on behalf of our behavioral health members have asked for a rate study to be conducted to determine the true cost of delivering SUD (and mental health) services in Delaware.