

BH Health Services, Inc.

May 26, 2021

Via Email: MHPAEA.MIA@maryland.gov

Kathleen A. Birrane
Commissioner
Maryland Insurance Administration
200 St. Paul Place, Suite 2700
Baltimore, MD 21202

Dear Commissioner Birrane,

My name is Babak Imanoel and I'm the owner and medical director of two Opioid Treatment Programs (OTPs AKA Methadone Clinics) in Maryland. One of my clinics is located at Westminster in Carroll County and the other in the Northeastern part of Baltimore City, close to Parkville. I'm writing to you today with strong concerns regarding CareFirst's unfair and inequitable reimbursement rate setting practices for substance use disorder providers. My experience over the past year with Maryland's largest commercial health insurer demonstrates the need for the following reimbursement rate setting practices to be incorporated in the Maryland Insurance Administration's parity reporting regulations:

1. Factors used for setting reimbursement rates:
 - a. Whether rates cover the actual costs of services that are required by federal and state law and provider accreditation bodies.
 - b. Whether rates are based on the credentials of the providers, and if so, how.
 - c. How these rates compare to Medicare and Maryland Medicaid's rates.
 - d. How a third party entity conducts a market validation analysis – including what factors it uses – and how such analyses are used by the carrier.
2. Carriers' willingness and ability to negotiate reimbursement rates with providers.
3. Carriers' actions and incentives to fill network gaps, especially for essential community providers.

As you are well aware, the opioid epidemic has claimed the loss of about 40,000 US citizens a year. This number, unfortunately, is only the tip of the iceberg as far as the

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death and the destruction that this epidemic has caused the citizens of this country. The number is also only rising as a result of the COVID-19 pandemic. As you may also be aware, OTPs are considered the gold standard treatment for opioid use disorder and opioid addiction. As such, my two programs are essential community providers that have been scientifically proven to save lives and improve the lives of the individuals and families suffering from Opioid Use Disorder.

For many years, we were told by our peers in the field that the commercial insurers were not willing to pay for our services. The chatter in the field was that only the well-connected large multicenter programs were able to negotiate with the commercial carriers. As a matter of fact, for many years the only OTPs in the Baltimore area that were able to contract with CareFirst were the MedMark programs. MedMark is a very large organization with hundreds of OTPs and other Substance Use Disorders Treatment Programs that spans multiple states. As a result, we never bothered to apply to CareFirst, even though a number of our patients are members and we are eager to reduce their financial burden to make it easier for them to get treatment. There are currently three OTPs in Carroll County and **none** of them are paneled with CareFirst, meaning that CareFirst enrollees have no access to this essential community provider in their entire county.

In early 2020, we heard that a small OTP named Pikesville Health Services was paneled with CareFirst. As a result, we approached CareFirst in August 2020 and requested to join their network.

We submitted a “Request for Information (RFI) on August 31, 2020. After many delays we received our contract on March 29, 2021. In reviewing our contract, it became clear immediately that accepting the terms of that contract entailed that we provide services at a **huge loss**. On March 31, 2021, we sent our very first email to CareFirst with our concerns about their reimbursement rates. From March 31 until May 7, 2021, we exchanged about a dozen or so emails with CareFirst expanding on our concerns that their contract is demanding that we provide the services at a huge loss that would not be sustainable for our practices. The response that we got was to take it or leave it and they would not negotiate on the terms of the contract. Below are the details of the issues that we brought up with CareFirst:

1. **The initial Alcohol and/or Drug Assessment that is done by a counselor (CPT code H0001 with Maryland Medicaid) is reimbursed at \$170+ by Medicaid. CareFirst fee schedule listed a code of “0961 Initial Assessment” with a reimbursement of \$98.** CareFirst responded to this concern by saying that it is a commercial payer not a government payer, and that its fee schedules are derived by data analysis including but not limited to market validation analysis having been performed by an outside third party. CareFirst further

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contended that these rates were due to its fiduciary responsibility to keep the cost of care and premiums from rising unreasonably for as much as possible.

2. **We informed CareFirst that individual counseling is the most important part of our program as well as individual counseling being a state and federal requirement. Their fee schedule did not have provisions for us to bill for such service.** The CPT code that is commonly used by OTPs to bill for individual counseling is 0914. However, the description that was used in our contract for this CPT code read “Inpatient psychiatry behavioral health.” We informed them of this matter and explained that we are not an inpatient facility. We asked them to change the description of this code or at least have an addendum in the contract stating that our program would be able to use this code and bill for individual counseling. We specifically expressed concerns that if we were to use this code, we may be prosecuted for insurance fraud. CareFirst responded that this is the standard term for the revenue code and, per the agreement, it will not change the description, thereby rendering us unable to provide services we are legally obligated to furnish if we were to accept the contract.

3. **For patients that are treated with Buprenorphine, Medicaid allows for medication billing through J codes (J0571-J0574). Medicare’s allowance for medication part of Buprenorphine treatment is a bundled rate of \$172/week. CareFirst’s fee schedule did not have such a provision, only \$80/week for the entire service, even though the wholesale cost of the medication alone can be as high as \$20/day.** It would not be financially possible for us to provide this service at \$80/week without the ability to bill for the medication. CareFirst responded that \$80/week is its standard reimbursement and could not be negotiated. CareFirst was not even willing to change the contract to so that we would not be required to provide Buprenorphine treatment to its members. It was take it or leave it. We informed CareFirst that other programs do have provisions in their fee schedule that allows for medication billing. At which, CareFirst responded that each contract is confidential and it is breach of contract for another contracted provider to discuss their contracting terms with another provider, and that CareFirst is not negotiating on the \$80/week. The only option would be for the J code can be billed on the professional agreement. It should be noted here that no other OTP that we are aware of has a professional contract with CareFirst or any other commercial insurer. All the billing from an OTP is done through a facility contract. Further, CareFirst never offered us a professional contract.

4. **We informed CareFirst that Medicare and Medicaid have provisions for periodic medical provider evaluation. Medicaid’s CPT code for this is 99211-**

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99215 with a reimbursement rate of \$23-\$147. Medicare's CPT code for this service is G2077 with a reimbursement amount of \$110. CareFirst's fee schedule did not have a provision for such services. CareFirst responded to our concern by saying that a professional agreement would need to be executed for medical providers to evaluate our patients. Again, we were not given a professional contract and to our knowledge no OTP has a professional contract with Medicare, Medicaid, or any commercial insurance.

We believe the above examples clearly demonstrate the unfair and inequitable reimbursement rate setting practices by CareFirst. **Besides what is noted above, CareFirst ignored our request to provide us with the contact information for the regulatory agency with authority to investigate and adjudicate this matter.**

As noted above, CareFirst asserted that its reimbursement is derived by data analysis including but not limited to market validation analysis having been performed by an outside third party. We categorically dispute this matter. No "outside third party" analysis would recommend reimbursement rates that are up to 50% below the cost of the provider.

Another issue that I would like to address here is the network adequacy component. There are currently THREE Opioid Treatment Programs (OTPs) in Carroll County. Two of those are in Westminster and the third one is in Sykesville. None of these three programs are paneled with CareFirst. CareFirst has publically claimed at legislative and regulatory hearings to reach out to mental health and substance use disorder providers and incentivize them to join their network. In our case, not only did CareFirst not do that, they did everything they could to prevent us from joining their network.

My understanding of the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA) is that a group health plan/health insurer cannot provide less favorable benefits to substance use and mental health providers compared to medical/surgical benefits. To me, this is clearly a violation of such law. In this case, CareFirst clearly is demanding that we provide services at a loss through its reimbursement rate setting practices. I do not believe CareFirst would require any hospital or medical/surgical physician's office from providing services at a loss.

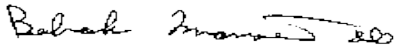
Our patients with commercial insurance still pay deductibles, co-pays and co-insurances. We can only bill the patient for what the carrier will not cover after we have billed the insurance company. It is burdensome and cumbersome, and we do not have the staff to deal with it. My only reason for seeking to be credentialed with CareFirst is to help my patients who have this insurance so they do not have to pay out-of-pocket. It is a tremendous undertaking on our part to go after commercial reimbursement, and to get these responses from CareFirst is heartbreaking.

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Thank you in advance for your attention to this matter. I would be more than happy to provide you with our email communications with CareFirst as well as the contracts that we received from them.

Sincerely,



Babak Imanoel, DO
Medical Director & President
BH Health Services & Northern Parkway Treatment Services