

Statement of Findings
Health Insurance Plan of Greater New York, Inc.
Mental Health Parity and Addiction Equity Act Testing of Phase III Workbooks
March 11, 2020 – November 30, 2020
Survey ID #: -249527337

Parity Compliance

10.2 Compliance with State Medicaid Plan, Applicable Laws and Regulations

h.) Mental Health and Substance Use Disorder Benefits Parity Requirements

ii.) The Contractor shall comply with mental health and substance use disorder benefits parity requirements for financial requirements and treatment limitations specified in 42 CFR 438.910.

18.5 Reporting Requirements

a) The Contractor shall submit the following reports to SDOH (unless otherwise specified). The Contractor will certify the data submitted pursuant to this section as required by SDOH. The certification shall be in the manner and format established by SDOH and must attest, based on best knowledge, information, and belief to the accuracy, completeness and truthfulness of the data being submitted.

xxii) Mental Health and Substance Use Disorder Parity Reporting Requirements

Upon request by the SDOH, OMH or OASAS the Contractor shall prepare and submit documentation and reports, in a form and format specified by SDOH, OMH or OASAS, necessary for the SDOH, OMH or OASAS to establish and demonstrate compliance with 42 CFR 438 Subpart K, and applicable State statute, rules and guidance.

35.1 Contractor and SDOH Compliance With Applicable Laws

Notwithstanding any inconsistent provisions in this Agreement, the Contractor and SDOH shall comply with all applicable requirements of the State Public Health Law; the State Social Services Law; the State Finance Law; the State Mental Hygiene Law; the State Insurance Law; Title XIX of the Social Security Act; Title VI of the Civil Rights Act of 1964 and 45 CFR Part 80, as amended; Title IX of the Education Amendments of 1972; Section 504 of the Rehabilitation Act of 1973 and 45 CFR Part 84, as amended; the Age Discrimination Act of 1975 and 45 CFR Part 91, as amended; the ADA; Title XIII of the Federal Public Health Services Act, 42 U.S.C § 300e et seq., regulations promulgated thereunder; the Health Insurance Portability and Accountability Act of 1996 (P.L. 104-191) and related regulations; the Federal False Claims Act, 31 U.S.C. § 3729 et seq.; Mental Health Parity and Addiction Equity Act of 2008, (P.L. 110-345); for Contractors operating in New York City, the New York City Health Code; and all other applicable legal and regulatory requirements in effect at the time that this Agreement is signed and as adopted or amended during the term of this Agreement. The parties agree that this Agreement shall be interpreted according to the laws of the State of New York.

Finding:

Based on the review of Health Insurance Plan of Greater New York, Inc's (EmblemHealth) Phase III nonquantitative treatment limitation (NQTL) workbook submission, the Managed Care Organization (MCO) failed to provide all required information and comparative analyses demonstrating compliance with 42 CFR 438 Subpart K, and applicable State statute, rules and guidance; including the Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA), P.L. 110-345, for 5 of 10 NQTLs examined; retrospective review, outlier review, experimental/investigational determinations, fail first, and provider credentialing.

Specifically, EmblemHealth failed to provide all required information and substantive comparative analyses in Steps 3 through 5 for retrospective review and outlier review in the inpatient, outpatient, and prescription drugs benefit classifications, experimental/investigational determinations in the inpatient and outpatient benefit classifications and fail first in the prescription drugs benefit classification. The MCO also failed to provide all required information and substantive comparative analyses in Step 4, as written comparability and equivalent stringency, and Step 5, in-operation comparability and equivalent stringency, for experimental/investigational determinations in the prescription drugs benefit classification.

Additionally, EmblemHealth failed to define factors in Step 3, evidentiary standards comparability and equivalent stringency, for outlier review in the inpatient, outpatient, and prescription drugs benefit classifications, experimental/investigational determinations in the inpatient and outpatient benefit classifications and fail first in the prescription drugs benefit classification. Additionally, the MCO failed to provide all information and substantive comparative analyses for Steps 1 through 5 for provider credentialing in the inpatient and outpatient benefit classifications. Due to these findings, the State is not able to assess whether the MCO complies with MHPAEA for the above-referenced NQTLs.

EmblemHealth Plan of Correction (POC) for Citations from the Medicaid Model Contract 10.2, 18.5 & 35.1:

EmblemHealth acknowledges receipt of this deficiency and, pursuant to the State's letter dated January 3, 2022, below please find the required elements of an acceptable Plan of Correction (POC).

1. Specific steps taken by the Plan to revise and remediate each of the identified deficiencies:

A. Stakeholder review meetings:

EmblemHealth reviewed OMH's feedback and the Phase III workbooks for identified deficient areas in Outlier Review (inpatient, outpatient, and prescription drug), Fail First Steps (pharmacy), Retrospective Review (inpatient, outpatient, and prescription), Experimental and Investigational (inpatient, outpatient, and prescription) and Provider Credentialing. The Plan held meetings with subject matter experts from each of the functional areas and the Plan's Behavioral Health Parity and Compliance Director, Kathleen Wolfe. The purpose of these meetings was to identify and address the root cause for each identified deficiency. EmblemHealth also met with its behavioral health partner, Beacon Health Options, to review the identified deficiencies and this POC. For

each area that a deficiency was identified, subject matter experts in behavioral health benefits administration and medical/surgical benefits administration reviewed the corresponding section of the workbook and assessed each NQTL, as written and in operation, for comparability.

Implementation Date: December 16, 2021

Responsible Party: Kathleen Wolfe, Behavioral Health Parity and Compliance Director

B. Findings of review meetings:

The Plan concluded that the identified deficiencies were not, in fact, true mental health parity deficiencies, but rather, appeared as such because workbook prompts were not consistently interpreted by the various subject matter experts who contributed to the completion of the workbook and thus, resulted in disparate data. The Plan identified the need for a more formalized, structured, and comprehensive process to compare the application of NQTLs to Medical/Surgical (Med/Surg) benefits and to Mental Health /Substance Use Disorder (MH/SUD) to assure that the practices and strategies are no more stringently applied to MH/SUD benefits than Med/Surg benefits. The details of the process that EmblemHealth created in response to the identified conditions are set forth below in Section 2.

Implementation Date: December 16, 2021

Responsible Party: Kathleen Wolfe, Behavioral Health Parity and Compliance Director

C. Parity workgroups to conduct ongoing comparative analysis parity oversight and monitoring:

For the identified deficiencies cited in section 1.A and 1.B, the Plan formed targeted workgroups consisting of MH/SUD and Med/Surg subject matter experts. These workgroups assemble bi-monthly and are chaired by the Plan's BH Parity and Compliance Director, Kathleen Wolfe. The workgroups review and interpret workbook prompts to ensure consistency and conduct a step-by-step comparative analysis of NQTLs applied to MH/SUD benefits and Med/Surg benefits.

Implementation Date: December 16, 2021 (Ongoing)

Responsible Party: Kathleen Wolfe, Behavioral Health Parity and Compliance Director

2. Specific steps taken by the Plan to address instances where a comparative analysis identifies a nonquantitative treatment limitation (NQTL) not applied comparably and with equivalent stringency to MH/SUD and Med/Surg services:

Take action to remediate the application of any NQTL identified as having been applied more stringently to MH/SUD benefits than Med/Surg benefits:

If any NQTL is identified through the above parity workgroups to have been applied more stringently to MH/SUD benefits than to Med/Surg benefits, the Plan issues a Corrective Action Plan (CAP). Implementation of the CAP is overseen by the Behavioral Health Parity and Compliance Director until resolution. The Behavioral Health Parity and Compliance Director provides monthly CAP updates to the Chief Compliance Officer and, at minimum, quarterly

updates to the Behavioral Health Parity Committee to confirm completion of implementation and continued monitoring of the application of the identified NQTL with parity. Any new improper practice identified by the Plan shall be remediated no later than 60 days after discovery. As part of its CAP, the Plan will issue written notification to affected enrollees and to the Commissioner, in addition to conspicuously posting to the EmblemHealth website a notice regarding any identified improper practice, including EmblemHealth's effort to remediate the improper practice or its plan for remediation, within 60 days of discovery. EmblemHealth shall also be responsible for the coordination of any remediation and parity compliance monitoring activities that must be undertaken by any agent or other representative providing benefit management services or performing utilization management activities on behalf of EmblemHealth.

Implementation Date: December 16, 2021 (Ongoing)

Responsible Party: Kathleen Wolfe, Behavioral Health Parity and Compliance Director

3. Methods the Plan will apply, with milestones, to monitor the implementation of the POC and for ongoing monitoring that ensures corrections are adequately executed and maintained for all deficiencies, including those related to pharmacy (prescription drugs classification):

A. Monitoring and oversight plan:

- i. The Behavioral Health Parity and Compliance Director will provide monthly reports to the Plan's Chief Compliance Officer on the workgroups described above in section 1.C and on implementation and monitoring progress of this POC.
- ii. Bi-monthly work groups with guidance and direct support on the POC will be provided by the Plan's BH Parity Committee.
- iii. The Behavioral Health Parity and Compliance director will seek guidance and approval [at minimum] quarterly from the Plan's BH Parity Committee on the activities of the workgroups described above in section 1.C.

Implementation Date: January 18, 2022 (Ongoing)

Responsible Party: Kathleen Wolfe, Behavioral Health Parity and Compliance Director

B. Workbook updates/corrective actions and meeting with Milliman:

No later than June 30, 2022, the Plan will remediate identified workbook deficiencies and implement corrective action to revise the process to review, interpret and complete the workbooks going forward. The Plan will also arrange to meet with Milliman to review the updated Phase III workbooks and to determine whether EmblemHealth's substantive comparative analysis, equivalent stringency, comparability of evidentiary standards, and in-operation comparability meet the requirements outlined in the Mental Health Parity and Addiction Equity Act (MHPAEA) and other applicable state and federal regulatory guidance.

Implementation Date: June 30, 2022

Responsible Party: Kathleen Wolfe, Behavioral Health Parity and Compliance Director

C. Behavioral Health Parity Committee:

EmblemHealth has also established a Behavioral Health Parity Committee (“Parity Committee”). The purpose of the Behavioral Health Parity Committee is to provide oversight, leadership, and direction to support ongoing compliance with federal and state behavioral health parity laws/regulations. The Parity Committee will analyze requirements, solicit feedback and recommendations from key stakeholders to enhance existing policies and procedures, provide cross-functional updates, and deliver execute reporting to oversee compliance with behavioral health parity standards and implement remediation of discrepancies in coverage for treatment of mental health and substance use disorders. The Parity Committee will also ensure that EmblemHealth behavioral health parity compliance program meets all the regulatory requirements and ensure comparable coverage for benefits to treat mental health and substance use disorders, as set forth by state and federal parity laws. The Behavioral Health Parity Committee will ensure that EmblemHealth’s governance of parity compliance identifies and remediates improper practices ascribable to coverage of services for the treatment of mental health and substance use disorders, that policies and procedures are executed and effectively managed, and that adequate reporting is provided to state and federal regulators consistent with prevailing laws, rules, and requirements. The Behavioral Health Parity Committee convenes quarterly and is part of the EmblemHealth QIC structure. All parity related work is reported quarterly through the QIC to the EmblemHealth Quality Committee of the Board.

Implementation Date: March 17, 2022 (Next BH Parity Committee meeting)

Responsible Party: Kathleen Wolfe, Behavioral Health Parity and Compliance Director

4. Plan to educate/train staff of any necessary changes to address potential noncompliance:

A. Mental health parity training:

EmblemHealth ensures impacted personnel (including delegated vendors), receive mental health parity training on an annual basis, at minimum, or more frequently as needed. The Plan also conducts MH Parity compliance training during new hire orientation for all new EmblemHealth employees, including a clear description of how mental health parity concerns are to be reported within the organization.

In the event that non-compliance is identified, the Behavioral Health Parity and Compliance Director shall also conduct targeted training as a result of changes the Plan must make to their policies and procedures related to parity non-compliance.

Implementation Date: June 16, 2021

Responsible Party: Kathleen Wolfe, Behavioral Health Parity and Compliance Director

B. Mental health parity policy and training:

EmblemHealth has developed a Mental Health Parity Policy and related training that is pending approval. The policy is intended to reflect changes to our parity program noted above. In addition, this policy shall ensure that EmblemHealth's members are provided comparable coverage for benefits necessary to treat mental health and substance use disorders (MH/SUD) in accordance with mental health parity requirements. The Plan will ensure all newly hired employees, impacted personnel (including delegated vendors) are trained on this policy on an annual basis at minimum, or more frequently as needed.

Implementation Date: February 24, 2022

Responsible Party: Kathleen Wolfe, Behavioral Health Parity and Compliance Director

MCO's Representative Signature: 	Date: January 18, 2022
Title: SVP & Chief Compliance Officer	