

Statement of Findings
New York Quality HealthCare Corporation
Mental Health Parity and Addiction Equity Act Testing of Phase III Workbooks
March 11, 2020 – November 30, 2020
Survey ID #: -1679141172

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 Fidelis Care's Phase III nonquantitative treatment limitation (NQTL) workbook submissions, the Managed Care Organization (MCO) failed to provide all required information and comparative analyses demonstrating compliance with the Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA), P.L. 110-343, for 5 of 10 NQTLs examined, including retrospective review, outlier review, experimental/investigational determinations, fail first, and provider credentialing.

- Specifically, Fidelis Care failed to provide substantive comparative analyses for Steps 3 through 5 for retrospective review in the inpatient and outpatient benefit classifications. For retrospective review in the prescription drug benefit classification, the MCO failed to define factors in Step 3, evidentiary standards comparability and equivalent stringency, and failed to provide substantive comparative analyses in Step 4, as written comparability and equivalent stringency, and Step 5, in-operation comparability and equivalent stringency. For outlier review in the prescription drug benefit classification Fidelis Care failed to provide all information and substantive comparative analyses in Steps 3 through 5.

The MCO failed to provide substantive comparative analyses in Step 5, in-operation comparability and equivalent stringency, for experimental/investigational determinations in the inpatient, outpatient, and prescription drug benefit classifications and provider credentialing in the inpatient and outpatient benefit classifications.

Fidelis Care also failed to define factors in Step 3, evidentiary standards comparability and equivalent stringency, and failed to provide substantive comparative analysis in Step 5, in-operation comparability and equivalent stringency, for fail first requirements in the prescription drug benefit classification. Due to these findings, the State is not able to assess whether the MCO complies with MHPAEA for the above-referenced NQTLs.

Additionally, based on the review of Fidelis Care's Phase III NQTL workbook submission (submitted August 14, 2020) for outlier review, the MCO is not in compliance with MHPAEA. The MCO's submission for outlier review in the outpatient benefit classification demonstrated in Steps 1 through 5 that Fidelis Care performs outlier review on mental health and substance use disorder (MH/SUD) benefits but does not perform outlier review for medical and surgical (M/S) benefits; thereby making outlier review a separate and categorically noncomparable treatment limitation applied to MH/SUD benefits.

Plan of Correction

Mental Health Parity and Addiction Equity Act Testing of Phase III Workbooks

March 11, 2020 – November 30, 2020

Survey ID# -1679141172

New York Quality HealthCare Corporation d/b/a Fidelis Care (or “Fidelis”) will take all the following actions as part of this Plan of Correction:

Step 1 Parity Compliance Education and Training:

Fidelis provided parity education and training on the compliance program to advance the knowledge and understanding of the purpose and processes in Steps 1-5 of the NQTL Parity Test for all operational staff involved in implementing Phase III NQTLs. Fidelis will provide a re-education program for staff when issues are identified.

Timeline: An initial parity education and training was provided on **2/12/2021**. Additional training was provided on the following dates:

1. Retrospective Review NQTL education and training was provided on **5/25/2021**, pursuant to which Fidelis decided that for MHPAEA compliance purposes, “retrospective review” includes FWA management, coding edits, and outlier review NQTLs. The split aligns more effectively with operational responsibility and facilitates improved MHPAEA oversight.
2. Outlier Review NQTL education and training was provided on **5/25/2021**.
3. Experimental/Investigational Determinations NQTL education and training was provided on **4/5/2021**.
4. Fail First NQTL education and training was provided on **2/23/2021** and Fidelis determined that Fidelis does not apply this NQTL to any benefits.
5. Provider Credentialing education and training was provided **6/15/2021**.

Responsible Person: The Director of Compliance, will be responsible for ensuring completion of this aspect of the plan of correction.

Step 2 Plan of Correction:

This Step 2 Plan of Correction is responsive to Deficiency 2 for the outpatient classification of the Outlier Review NQTL. For the outpatient classification, Fidelis will apply outlier review to both M/S and MH/SUD benefits and update its documentation accordingly. Fidelis will apply outlier review to both M/S and MH/SUD services in a way that is comparable to and applied no more stringently for MH/SUD benefits than for M/S benefits and update its documentation accordingly. It will define factors in Step 3, evidentiary standards comparability and equivalent stringency, and provide substantive comparative analyses in Step 4, as written comparability and equivalent stringency, and Step 5, in-operation comparability and equivalent stringency. It will accordingly write a sufficient summary in Step 6. It will ensure that all below indicated Steps 3-6 Plans of Correction are incorporated into the outpatient classification of Outlier Review (as a component of the broader category of Retrospective Review).

Timeline: Fidelis will implement this Step 2 Plan of Correction by: **2/2/2022**

Responsible Persons: The Senior Director, Payment Integrity is responsible for ensuring completion of the Outlier Review NQTL.

Plan of Correction

Mental Health Parity and Addiction Equity Act Testing of Phase III Workbooks

March 11, 2020 – November 30, 2020

Survey ID# -1679141172

Step 3 Plan of Correction:

For Step 3 for each of the following NQTL types: Retrospective Review (which for the purpose of Fidelis' MHPAEA compliance policy is now treated as three separate NQTLs (FWA management, coding edits, and outlier review) (inpatient, outpatient, prescription drugs); Fidelis will define each factor relied upon in the design of the NQTL type and will include the applicable evidentiary standards.

For each factor Fidelis identified for each of the listed NQTL types, Fidelis will update the analysis documents to provide detailed and substantive definitions necessary to perform the comparability and stringency analysis at Step 4.

Each definition will include the applicable evidentiary threshold that Fidelis uses to determine whether to invoke the factor in deciding whether to apply the NQTL type to a particular benefit.

Fidelis will also review current data related to each factor to ensure that the evidence supports the ongoing use of the NQTL type on that basis.

For Outlier Review specifically, Fidelis will ensure that the analysis follows all workbook reporting prompts.

This Step 3 Plan of Correction is responsive to Deficiency 1.

Timeline: Fidelis will implement this Step 3 Plan of Correction by: **2/2/2022**

Responsible Persons:

The Senior Director, Payment Integrity is responsible for ensuring completion of the Retrospective Review NQTLs (FWA Management, Coding Edits, and Outlier Review).

Fidelis does not use the Fail First NQTL.

Plan of Correction

Mental Health Parity and Addiction Equity Act Testing of Phase III Workbooks

March 11, 2020 – November 30, 2020

Survey ID# -1679141172

Step 4 Plan of Correction:

For Step 4 for each of the following NQTL types: Retrospective Review (as noted above, Fidelis splits this into FWA management, coding edits, and outlier review) (inpatient, outpatient, and prescription drug), Fidelis will update its NQTL documentation to perform a comparability and stringency analysis in writing based on the existing factors. Fidelis will review each factor that Fidelis relies upon to decide whether or not/how to apply the applicable NQTL type to MH/SUD benefits and will compare that factor and its evidentiary standard against the application to M/S benefits in the same classification. Fidelis will document this analysis for each factor for each NQTL type in each classification indicated in Deficiency 1 as noncompliant.

Fidelis' parity compliance program will also ensure that the operational staff involved in implementing each NQTL understands their obligation to update this analysis if the data underpinning each factor change or if they decide to change the factors or evidentiary standards.

This Step 4 Plan of Correction is responsive to Deficiency 1.

Timeline: Fidelis will implement this Step 4 Plan of Correction by: **2/2/2022**

Responsible Persons:

The Senior Director, Payment Integrity is responsible for ensuring completion of the Retrospective Review NQTLs (FWA Management, Coding Edits, and Outlier Review).

Plan of Correction

Mental Health Parity and Addiction Equity Act Testing of Phase III Workbooks

March 11, 2020 – November 30, 2020

Survey ID# -1679141172

Step 5 Plan of Correction:

For Step 5 for each of the following NQTL types: Retrospective Review (as noted above, Fidelis split these into FWA management, coding edits, and outlier review) (inpatient, outpatient, and prescription drug); Experimental/Investigational Determinations (inpatient, outpatient, and prescription drug); and Provider Credentialing (inpatient and outpatient) Fidelis will:

- Update its documentation to identify specific and applicable operational measures for each NQTL type in each classification (this will include ensuring alignment of operations measures between the MH/SUD and M/S application of the same NQTL type);
- Obtain timely data for each operations measure for each NQTL type in each classification;
- Perform a comparability and stringency analysis for each NQTL type for each operations measure and document the conclusions of the analysis; and
- Based on the analysis, make any adjustments to the factors or definitions/evidentiary standards necessary to address potential parity red flags identified in the Step 5 operation analysis.

Operations measures will be based on industry standard technical specifications that Fidelis will document and make available upon request.

Fidelis does not use the Fail First NQTL.

This Step 5 Plan of Correction is responsive to Deficiency 1.

Timeline: Fidelis will implement this Step 5 Plan of Correction by: **2/2/2022**

Responsible Persons:

The Senior Director, Payment Integrity is responsible for ensuring completion of the Retrospective Review NQTLs (FWA Management, Coding Edits, and Outlier Review).

The Senior Medical Director, Quality Improvement is responsible for ensuring completion of the Experimental/Investigational Determinations NQTL.

The Director, PDM & Credentialing is responsible for ensuring completion of the Provider Credentialing NQTL.

Fidelis does not use the Fail First NQTL.

Plan of Correction

Mental Health Parity and Addiction Equity Act Testing of Phase III Workbooks

March 11, 2020 – November 30, 2020

Survey ID# -1679141172

Addendum A:

Fidelis Corrective Action Plan (CAP) Monitoring for Department of Health (DOH) Articles 44 and 49 Statement of Findings CAP:

In January 2021, Fidelis' Compliance Department implemented a parity analysis workplan, identified parity analysis leads by department or division and developed a parity organizational chart that includes ongoing weekly workplan monitoring by the Fidelis VP of Compliance, who is designated as Fidelis' Parity Compliance Officer. The DOH CAP has been incorporated into this parity analysis workplan.

The Fidelis VP of Compliance will monitor the DOH Articles 44 and 49 Statement of Deficiencies CAP to ensure that Fidelis is meeting the required timeframes. In addition, the VP of Compliance will ensure updates on the status of the CAP are provided to Fidelis' Corporate Compliance Committee and Compliance Oversight Committee.

The VP of Compliance will be responsible for assessing, monitoring, and managing parity compliance and confirming that standards of review for mental health and substance use disorders benefits are comparable and applied no more stringently than the standards of review for medical or surgical condition benefits in compliance with applicable federal and state laws. The ongoing monitoring of parity compliance will be accomplished by at least a twice a year review of NQTL parity analyses to ensure the CAP is maintained. If issues of parity noncompliance are identified, Fidelis will keep a record of the noncompliance and produce evidence of actions taken to remediate upon the State's request. The Compliance Officer will ensure that corrective actions such as re-education/training of staff, revision to policies and procedures and other process improvements are implemented to correct any parity noncompliance. The VP of Compliance will then re-review the NQTL parity analyses after any corrective action, re-education/training and/or process improvement has been implemented, to ensure that any parity noncompliance has been corrected.

The submission of this remediation is Fidelis' assurance to DOH of our commitment that Phase III workbooks will be updated and maintained with the required information and substantive comparative analyses demonstrating compliance with the Mental Health Parity and Addiction Equity Act of 2008 (P.L. 110-345; MHPAEA).

This plan of correction has begun implementation, and will continue to be implemented until February 2, 2022, when it will be completed.