

**NEW YORK STATE DEPARTMENT OF HEALTH
DIVISION OF HEALTH PLAN CONTRACTING AND OVERSIGHT
ARTICLES 44 AND 49 STATEMENT OF DEFICIENCIES**

NAME OF MANAGED CARE ORGANIZATION Empire BlueCross BlueShield HealthPlus	TYPE OF SURVEY: Mental Health Parity and Addiction Equity Act (MHPAEA) Compliance Virtual Focus Survey Survey ID # 1842553698
STREET ADDRESS, CITY, STATE, ZIP CODE PENN 1 35th Floor New York, NY 10119	SURVEY DATES: September 14, 2022 – October 12, 2023

NOTE: The following list of deficiencies was identified by Health Department representatives during an Article 44 and/or Article 49 operational or focused survey of your Managed Care Organization (MCO). Correction of these deficiencies is required in order to bring your MCO into compliance with Article 44 and/or 49 of the New York State Public Health Law and the New York State Official Compilation of Codes, Rules, and Regulations (10NYCRR). In the column headed Provider Plan of Correction, describe the Plan of Corrective Action and anticipated date of corrections. The Plan of Correction should be returned within 15 business days.

Deficiencies	Plan of Correction with Timetable
<p>10 NYCRR 98- 4.4 Mental health and substance use disorder parity compliance program (a) Every MCO shall adopt and implement a compliance program that shall include at a minimum: (1) designation of an appropriately experienced individual who shall: (i) be responsible for assessing, monitoring, and managing parity compliance; (ii) report directly to the MCO’s chief executive officer or other senior manager; and (iii) report no less than annually to the MCO’s board of directors or other governing body, or the appropriate committee thereof, on the activities of the compliance program;</p> <p>(2) written policies and procedures that implement the compliance program, and that describe how the MCO’s parity compliance is assessed, monitored, and managed, including: (i) a system for assigning each benefit to the defined benefit classifications as required by MHPAEA; (ii) methodologies for the identification and testing of all financial requirements and quantitative treatment limitations; and (iii) methodologies for the identification and testing, including a comparative analysis, of all non-quantitative treatment limitations that are imposed on mental health or substance use disorder benefits; (3) methodologies for the identification and remediation of improper practices, as described in paragraph (1) of subdivision (b) of this section; (4) a system for the ongoing assessment of parity compliance....</p>	

MCO Representatives Signature: <i>Mark Levy, MD, MPH</i>	Date:
Title	

**NEW YORK STATE DEPARTMENT OF HEALTH
ARTICLE 44 STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION
CONTINUATION SHEET**

Name of Managed Care Organization Empire BlueCross BlueShield HealthPlus	Survey Dates: September 14, 2022 – October 12, 2023 Survey ID # 1842553698
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Deficiencies	Plan of Correction with Timetable
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<p>Deficiency: Based on review of the Phase I, Phase II, and Phase III nonquantitative treatment limitation (NQTL) workbooks, specific in-operation NQTL requests (Focus Survey Attachment A), and the Mental Health Prior Authorization Information Request (Attachment B) submitted in response to the Mental Health Parity and Addiction Equity Act (MHPAEA) Compliance Virtual Focus Survey, Empire Blue Cross Blue Shield HealthPlus (HealthPlus) failed to provide sufficient comparative analyses demonstrating compliance with MHPAEA, P.L. 110-343, for the following NQTLs:</p> <ul style="list-style-type: none"> • concurrent review, • reimbursement, • retrospective review, • and outlier review. <p>Additionally, HealthPlus failed to remediate improper practices identified for reimbursement.</p> <p>Specifically, for concurrent review, the updated workbook information was limited, and information submitted in response to the Focus Survey Attachment A requests were not incorporated into the workbook responses and comparative analyses.</p> <p>For retrospective review and outlier review, HealthPlus failed to provide sufficient comparative analyses inclusive of Special Investigations Unit (SIU) activities. The SIU document, submitted in response to a Focus Survey Attachment A request for provider credentialing, identified retrospective review and outlier review activities. The activities within the SIU document were not included and explained within the retrospective review or outlier review comparative analyses, as applicable.</p> <p>Specifically, for reimbursement, HealthPlus' workbook and Focus Survey Attachment A submissions demonstrated that the as-written and in-operation processes for inpatient and outpatient rate setting are not comparable. For medical/surgical (M/S) benefits, HealthPlus sets rates between 100 and 130 percent of the Medicare rate. The rates for mental health/substance use disorder (MH/SUD) are always 100 percent of the Medicare rate. Additionally,</p>	
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**NEW YORK STATE DEPARTMENT OF HEALTH
ARTICLE 44 STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION
CONTINUATION SHEET**

Name of Managed Care Organization Empire BlueCross BlueShield HealthPlus	Survey Dates: September 14, 2022 – October 12, 2023 Survey ID # 1842553698
Deficiencies	Plan of Correction with Timetable
<p>HealthPlus' in-operation submission indicates a disparity between M/S and MH/SUD single-case agreement rates. Single case agreement rates for M/S were set at 150 percent of the Medicare rate. The rate for SUD was 75 percent of the Medicare rate. Mental health percentages were not provided.</p> <p>This was discussed with HealthPlus during an exit conference call on October 12, 2023.</p> <p>PHL § 4406 Health maintenance organizations; regulation of contracts</p> <p>1. The contract between a health maintenance organization and an enrollee shall be subject to regulation by the superintendent as if it were a health insurance subscriber contract, and shall include, but not be limited to, all mandated benefits required by article forty-three of the insurance law. Such contract shall fully and clearly state the benefits and limitations therein provided or imposed, so as to facilitate understanding and comparisons, and to exclude provisions which may be misleading or unreasonably confusing. Such contract shall be issued to any individual and dependents of such individual and any group of one hundred or fewer employees or members, exclusive of spouses and dependents, or to any employee or member of the group, including dependents, applying for such contract at any time throughout the year. An individual direct payment contract shall be issued only in accordance with section four thousand three hundred twenty-eight of the insurance law. The superintendent may, after giving consideration to the public interest, exempt a health maintenance organization from the requirements of this section provided that another health insurer or health maintenance organization within the health maintenance organization's same holding company system, as defined in article fifteen of the insurance law, including a health maintenance organization operated</p>	

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ARTICLE 44 STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION
CONTINUATION SHEET**

Name of Managed Care Organization Empire BlueCross BlueShield HealthPlus	Survey Dates: September 14, 2022 – October 12, 2023 Survey ID # 1842553698
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<p>as a line of business of a health service corporation licensed under article forty-three of the insurance law, offers coverage that, at a minimum, complies with this section and provides all of the consumer protections required to be provided by a health maintenance organization pursuant to this chapter and regulations, including those consumer protections contained in sections four thousand four hundred three and four thousand four hundred eight-a of this chapter. The requirements shall not apply to a health maintenance organization exclusively serving individuals enrolled pursuant to title eleven of article five of the social services law, 1 title eleven-D of article five of the social services law, 2 title one-A of article twenty-five of this chapter 3 or title eighteen of the federal Social Security Act, 4 and, further provided, that such health maintenance organization shall not discontinue a contract for an individual receiving comprehensive-type coverage in effect prior to January first, two thousand four who is ineligible to purchase policies offered after such date pursuant to this section or section four thousand three hundred twenty-eight of the insurance law due to the provision of 42 U.S.C. 1395ss in effect prior to January first, two thousand four.</p> <p>4303(g) 4303(k) and 4303(l) State Insurance Law</p> <p><u>Deficiency:</u> Based on review of the Phase I, Phase II, and Phase III nonquantitative treatment limitation (NQTL) workbooks, specific in-operation NQTL requests (Focus Survey Attachment A), and the Mental Health Prior Authorization Information Request (Attachment B) submitted in response to the Mental Health Parity and Addiction Equity Act (MHPAEA) Compliance Virtual Focus Survey, Empire Blue Cross Blue Shield HealthPlus (HealthPlus) failed to provide sufficient comparative analyses demonstrating compliance with MHPAEA, P.L. 110-343, for the following NQTLs:</p> <ul style="list-style-type: none"> • concurrent review, • reimbursement, • retrospective review, and • outlier review. 	

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ARTICLE 44 STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION
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<p>Name of Managed Care Organization Empire BlueCross BlueShield HealthPlus</p>	<p>Survey Dates: September 14, 2022 – October 12, 2023 Survey ID # 1842553698</p>
<p>Deficiencies</p>	<p>Plan of Correction with Timetable</p>
<p>Additionally, HealthPlus failed to demonstrate compliance with MHPAEA for reimbursement.</p> <p>Specifically, for concurrent review, the updated workbook information was limited, and information submitted in response to the Focus Survey Attachment A requests were not incorporated into the workbook responses and comparative analyses.</p> <p>For retrospective review and outlier review, HealthPlus failed to provide sufficient comparative analyses inclusive of Special Investigations Unit (SIU) activities. The SIU document, submitted in response to a Focus Survey Attachment A request for provider credentialing, identified retrospective review and outlier review activities. The activities within the SIU document were not included and explained within the retrospective review or outlier review comparative analyses, as applicable.</p> <p>Specifically, for reimbursement, HealthPlus' workbook and Focus Survey Attachment A submissions demonstrated that the as-written and in-operation processes for inpatient and outpatient rate setting are not comparable. For medical/surgical (M/S) benefits, HealthPlus sets rates between 100 and 130 percent of the Medicare rate. The rates for mental health/substance use disorder (MH/SUD) are always 100 percent of the Medicare rate. Additionally, HealthPlus' in-operation submission indicates a disparity between M/S and MH/SUD single-case agreement rates. Single case agreement rates for M/S were set at 150 percent of the Medicare rate. The rate for SUD was 75 percent of the Medicare rate. Mental health percentages were not provided.</p> <p>This was discussed with HealthPlus during an exit conference call on October 12, 2023.</p>	

Statement of Findings
Empire BlueCross BlueShield HealthPlus
Mental Health Parity and Addiction Equity Act (MHPAEA) Compliance
Virtual Focus Survey
Survey Dates: September 14, 2022 – October 12, 2023
Survey ID: 1842553698

10.2 Compliance with State Medicaid Plan, Applicable Laws and Regulations

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

i.) 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.

Findings:

Based on review of the Phase I, Phase II, and Phase III nonquantitative treatment limitation (NQTL) workbooks, specific in-operation NQTL requests (Focus Survey Attachment A), and the Mental Health Prior Authorization Information Request (Attachment B) submitted in response to the Mental Health Parity and Addiction Equity Act (MHPAEA) Compliance Virtual Focus Survey, Empire Blue Cross Blue Shield HealthPlus (HealthPlus) failed to provide sufficient comparative analyses demonstrating compliance with MHPAEA, P.L. 110-343, for the following NQTLs:

- concurrent review,

Statement of Findings
Empire BlueCross BlueShield HealthPlus
Mental Health Parity and Addiction Equity Act (MHPAEA) Compliance
Virtual Focus Survey
Survey Dates: September 14, 2022 – October 12, 2023
Survey ID: 1842553698

- reimbursement,
- retrospective review,
- and outlier review.

Additionally, HealthPlus failed to demonstrate compliance with MHPAEA for reimbursement.

Specifically, for concurrent review, the updated workbook information was limited, and information submitted in response to the Focus Survey Attachment A requests were not incorporated into the workbook responses and comparative analyses.

For retrospective review and outlier review, HealthPlus failed to provide sufficient comparative analyses inclusive of Special Investigations Unit (SIU) activities. The SIU document, submitted in response to a Focus Survey Attachment A request for provider credentialing, identified retrospective review and outlier review activities. The activities within the SIU document were not included and explained within the retrospective review or outlier review comparative analyses, as applicable.

Specifically, for reimbursement, HealthPlus' workbook and Focus Survey Attachment A submissions found that the as-written and in-operation processes for inpatient and outpatient rate setting are not comparable. For medical/surgical (M/S) benefits, HealthPlus sets rates between 100 and 130 percent of the Medicare rate whereas rates for mental health/substance use disorder (MH/SUD) are always 100 percent of the Medicare rate. Additionally, HealthPlus' in-operation submission indicates a disparity between M/S and MH/SUD single-case agreement rates. Single case agreement rates for M/S were set at 150 percent of the Medicare rate whereas SUD was 75 percent of the Medicare rate. Mental health percentages were not provided.

This was discussed with HealthPlus during an exit conference call on October 12, 2023.

CONCURRENT REVIEW

Plan Response:

Issue Identified and Resolution: HealthPlus will continue to update the workbook spreadsheet, and include requested documentation within the spreadsheet to the extent it is possible given any potential technical limitations or cite to specific attachments. The updates will occur at minimum, quarterly following each Parity Workgroup meeting unless an update is required earlier to account for procedure changes impacting the analysis.

Education: The workflow will be documented and all Parity Workgroup participants will be educated on the process including the team responsible for Concurrent Reviews.

Responsible Parties:

- Workflow: Primary – Amber Beasley; Secondary – Radhika Vars
- Updating Concurrent Review Workbook – Primary – Leslie Moore, Secondary – Martha Ruff

Date of implementation: March 18, 2024

In addition, this year's Mental Health and Substance Use Disorder Parity Compliance training is being revised to include more comprehensive elements within the following areas:

Statement of Findings
Empire BlueCross BlueShield HealthPlus
Mental Health Parity and Addiction Equity Act (MHPAEA) Compliance
Virtual Focus Survey
Survey Dates: September 14, 2022 – October 12, 2023
Survey ID: 1842553698

how Mental Health Parity impacts administration of benefits and coverage

- differences in both Quantitative (QTL) and Non-Quantitative Treatment Limitations (NQTLs)
- when and how to report parity compliance concerns

Completion of this course and all associated knowledge checks will be mandatory for all NY Medicaid associates.

Responsible Party: Violetta Urba, Compliance Director

Date of implementation: course to launch by 07/31/2024, required completion within 60 days

Monitoring:

At each Parity workgroup meeting, the agenda will include a review of the workbook to ensure the updates from the prior meeting were captured within the workbook.

Compliance with state and federal requirements for provision of comparable coverage for benefits to treat mental health and substance use disorder is monitored via the Mental Health and Substance Use Disorder Parity Compliance Program. The Compliance Program Policy & Procedure (P&P) will be updated to include the additional measures outlined in this Plan of Correction.

Status of parity findings will continue to be reported in quarterly Quality Management Committee meetings. The Committee will also review any plan of action that needs to be submitted to ensure parity compliance, if the comparative analysis reveals that a BH process is more stringent than PH. Updates will also continue to be provided to the NY Medicaid Compliance Committee and the Board of Managers on a quarterly basis.

Date of Implementation: March 18, 2024

Responsible Parties: Violetta Urba, Compliance Director; Radhika Vars; Amber Beasley

RETROSPECTIVE REVIEW

Plan Response:

Issue Identified and Resolution: SIU activities are not part of the UM Program, but the Plan will review all systems to assess if other teams conduct Medical Necessity reviews as part of retrospective reviews. If other teams do conduct Medical Necessity reviews as part of retrospective reviews, they will join the Parity Workgroup meetings and also review the retrospective review section and update the workbook.

Education: If other teams are identified as conducting medical necessity retrospective reviews they will be educated on parity compliance requirements.

Monitoring: Results of the research will be shared with the Parity Work Group at the meeting scheduled in March 2024 and will be reviewed at each subsequent meeting.

Responsible Parties - Violetta Urba, Compliance Director; Radhika Vars; Amber Beasley

Date of Implementation: March 18, 2024

Statement of Findings
Empire BlueCross BlueShield HealthPlus
Mental Health Parity and Addiction Equity Act (MHPAEA) Compliance
Virtual Focus Survey
Survey Dates: September 14, 2022 – October 12, 2023
Survey ID: 1842553698

OUTLIER REVIEW

Plan Response: HealthPlus attended a conference call on January 31, 2024, where the expectations and meaning of outlier review for purposes of the workbook was provided by the consultant reviewing the submissions. HealthPlus will update the workbooks to take this explanation into account and continue to update the workbooks in accordance with Parity Work Group meetings. SIU representatives will be expected to attend Parity Work Group meetings and provide the group with updated analyses and demonstrate parity compliance. In general, SIU examines all providers (MH/SUD and M/S) suspected of fraud, waste, and/or abuse. The factors, standards, and processes used by SIU to investigate potential fraud, waste, and/or abuse will be incorporated within the workbooks.

Education: SIU personnel will be updated on parity compliance requirements and reporting obligations.

Monitoring: The Parity Work Group will collaborate with SIU for parity compliance during its regular meetings.

Responsible Party: Violetta Urba, Compliance Director; Sandra Nadler, Program Director SIU
Date of Implementation: March 18, 2024

PROVIDER REIMBURSEMENT

Plan Response: HealthPlus will continue to update the workbooks to include provider reimbursement rate data to demonstrate the processes, factors, and standards are applied comparably between M/S and MH/Sud providers. Provider reimbursement teams will also participate in the Parity Work Group meetings and update operational data as required.

Training and Education: Provider reimbursement teams will continue to receive parity training updates to ensure they are aware of parity requirements and incorporate into their processes. This year's Mental Health and Substance Use Disorder Parity Compliance training is being revised to include more comprehensive elements within the following areas:

- how Mental Health Parity impacts administration of benefits and coverage
- differences in both Quantitative (QTL) and Non-Quantitative Treatment Limitations (NQTLs)
- when and how to report parity compliance concerns

Completion of this course and all associated knowledge checks will be mandatory for all NY Medicaid associates.

Responsible Party: Violetta Urba, Compliance Director
Date of implementation: course to launch by 07/31/2024, required completion within 60 days

Monitoring:

At each Parity workgroup meeting, the agenda will include a review of the workbook to ensure the updates from the prior meeting were captured within the workbook.

Compliance with state and federal requirements for provision of comparable coverage for benefits to treat mental health and substance use disorder is monitored via the Mental Health and Substance Use Disorder Parity Compliance Program. The Compliance Program Policy & Procedure (P&P) will be updated to include the additional measures outlined in this Plan of Correction.

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Mental Health Parity and Addiction Equity Act (MHPAEA) Compliance
Virtual Focus Survey
Survey Dates: September 14, 2022 – October 12, 2023
Survey ID: 1842553698

Status of parity findings will continue to be reported in quarterly Quality Management Committee meetings. The Committee will also review any plan of action that needs to be submitted to ensure parity compliance, if the comparative analysis reveals that a BH process is more stringent than PH. Updates will also continue to be provided to the NY Medicaid Compliance Committee and the Board of Managers on a quarterly basis.

Date of Implementation: March 18, 2024

Responsible Parties: Violetta Urba, Compliance Director; Radhika Vars; Amber Beasley