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	**TYPE OF SURVEY:**
Independent Health Association, Inc	Mental Health Parity and Addiction Equity Act Compliance Virtual Focus Survey **Survey ID #** 1852261435
STREET ADDRESS, CITY, STATE, ZIP CODE 511 Farber Lakes Drive Buffalo, NY 14221	**SURVEY DATES:** September 14, 2022 - October 20, 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
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; **(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….**	**Corrective Action:** As noted in its letter dated March 8, 2024, IHA submitted outdated workbooks due to a misunderstanding of the original survey request. These workbooks contained some incorrect information. IHA will initiate bi-weekly work sessions no later than March 21, 2024, with internal stakeholders and delegate representatives, as appropriate, to update workbooks with complete and accurate information. IHA will ensure that updated workbooks integrate information and data gathered from IHA and Carelon into a single workbook and analysis for prior authorization, concurrent review, coding edits, out-of-network coverage standards, reimbursement, retrospective review, experimental/investigational determinations, outlier reviews, and provider credentialing, if applicable. Workbooks will be kept up-to-date through quarterly monitoring and annual reviews. Information from coding edits and out-of-network coverage standards exhibits will be incorporated into the workbooks, as appropriate. The workbook responses for prior authorization (PA), retrospective review, and provider credentialing will be further updated to include:

MCO Representatives Signature: [redacted] Date: 5/6/2025

Title
VP, Chief Compliance Officer

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

Name of Managed Care Organization Independent Health Association, Inc	**SURVEY DATES:** September 14, 2022 - October 20, 2023 **Survey ID #** 1852261435
Deficiencies	**Plan of Correction with Timetable**
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, Independent Health Association, Inc. (IHA) failed to provide sufficient comparative analyses demonstrating compliance with MHPAEA, P.L. 110-343, for the following NQTLs: • prior authorization, • concurrent review, • coding edits, • out-of-network coverage standards, • reimbursement, • retrospective review, • experimental/investigational determinations • and provider credentialing. Additionally, IHA failed to remediate improper practices identified for outlier review. Specifically, during the review of the NQTL workbooks it was found that IHA and its behavioral health vendor, Beacon, provided separate submissions that were not integrated into sufficient comparative analyses for prior authorization, concurrent review, reimbursement, retrospective review, outlier review, experimental/investigational determinations, and provider credentialing failing to demonstrate the processes, strategies, evidentiary standards, or other factors used in applying each NQTL to mental health and substance use disorder (MH/SUD) benefits are comparable to and are applied no more stringently than those used in applying the limitation to medical and surgical (M/S) benefits. Information submitted in response to the Focus Survey Attachment A requests were also not incorporated into the workbook responses and comparative analyses for prior authorization, retrospective review, and provider credentialing. Additionally, for coding edits and out-of-network coverage standards, IHA failed to provide sufficient comparative analyses as written and in-operation. The	Prior Authorization · A review of partially paid claims for MH/SUD inpatient services and MH/SUD outpatient services which were subject to a prior authorization requirement. · A review of PA request outcomes for inpatient and outpatient M/S and MH/SUD services. Retrospective Review · A review of how many previously paid MH/SUD and M/S claims were subsequently partially paid or otherwise denied. · A review of claims payment outcomes for MH/SUD services for which PA and/or CR are prohibited. Provider Credentialing · Indication of whether a contractual agreement with a provider is a prerequisite to initiation of provider credentialing and, if so, a review of the reasons for failed provider contract negotiations by provider type. · A review of MH/SUD providers placed on prepayment audit review and the reasons for such placement. IHA determined that the outlier review workbooks responses were incorrect: (1) The reported thresholds for M/S were incomplete and incorrect. (2) There is no outlier review process that limits the scope or duration of services for MH/SUD and, therefore, no outlier review NQTL is applied to MH/SUD services. However, IHA will include outlier review processes in its annual NQTL review process and ongoing monitoring. IHA will complete the NQTL workbook for outlier review if it is determined that any outlier review NQTL is applied to MH/SUD services. The NQTL workbook, if applicable, will reflect the complete and correct thresholds for M/S (and MH/SUD).

Name of Managed Care Organization Independent Health Association, Inc	**SURVEY DATES:** September 14, 2022 - October 20, 2023 **Survey ID #** 1852261435
Deficiencies	**Plan of Correction with Timetable**
workbook information provided for both coding edits and out-of-network coverage standards contained additional attachments that were not explained or integrated into revised and updated comparative analyses. Specifically, for outlier review, the focus of each separate analysis provided by IHA and Beacon was different. Beacon's separate analysis addressed fraud, waste, and abuse and IHA's mainly addressed medical necessity reviews and prior authorization requirements. The MCO failed to explain how these are comparable within the comparative analysis. IHA and Beacon also reported different dollar thresholds that can trigger the NQTL. IHA reported a threshold of $200,000 and Beacon reported a threshold of $10,000. IHA threshold being 20 times greater is an indication of different monetary thresholds for MH/SUD services and M/S services is the same as the MCO's Phase III workbook, thereby making this treatment limitation a violation of MHPAEA. This was discussed with IHA during an exit conference call on October 20, 2023. **PHL § 4406 Health maintenance organizations; regulation of contracts** **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**	**Responsible Party:** [redacted], VP, Chief Compliance Officer and Mental Health Parity Compliance Officer **Monitoring and/or Auditing:** Once NQTL workbooks are integrated and reviewed as complete by the Mental Health Parity Compliance Officer, no later than June 1, 2024, bi-weekly work sessions will be converted to monthly touchpoints to confirm current status of each NQTL and, if successful after 3 months, will be integrated into quarterly monitoring activities under the Mental Health Parity Compliance Program. The Plan of Correction will be reported to and monitored by IHA's Compliance Committee and Executive Team. **Training:** IHA performs mental health parity compliance training annually through its compliance training program, with the most recent training conducted from July 1, 2023, through October 1, 2023. Training materials for 2024 annual training will be reviewed and revised, as appropriate, by July 1, 2024. **Date Certain:** July 1, 2024

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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 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. **4303(g) 4303(k) and 4303(l) State Insurance Law** **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	

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

Name of Managed Care Organization Independent Health Association, Inc	**SURVEY DATES:** September 14, 2022 - October 20, 2023 **Survey ID #** 1852261435
Deficiencies	**Plan of Correction with Timetable**
Information Request (Attachment B) submitted in response to the Mental Health Parity and Addiction Equity Act (MHPAEA) Compliance Virtual Focus Survey, Independent Health Association, Inc. (IHA) failed to provide sufficient comparative analyses demonstrating compliance with MHPAEA, P.L. 110-343, for the following NQTLs: • prior authorization, • concurrent review, • coding edits, • out-of-network coverage standards, • reimbursement, • retrospective review, • experimental/investigational determinations • and provider credentialing. Additionally, IHA failed to demonstrate compliance with MHPAEA for outlier review. Specifically, during the review of the NQTL workbooks it was found that IHA and its behavioral health vendor, Beacon, provided separate submissions that were not integrated into sufficient comparative analyses for prior authorization, concurrent review, reimbursement, retrospective review, outlier review, experimental/investigational determinations, and provider credentialing failing to demonstrate the processes, strategies, evidentiary standards, or other factors used in applying each NQTL to mental health and substance use disorder (MH/SUD) benefits are comparable to and are applied no more stringently than those used in applying the limitation to medical and surgical (M/S) benefits. Information submitted in response to the Focus Survey Attachment A requests were also not incorporated into the workbook responses and comparative analyses for prior authorization, retrospective review, and provider credentialing. Additionally, for coding edits and out-of-network coverage standards, IHA failed to provide sufficient comparative analyses as written and in-operation. The workbook information provided for both coding edits and out-of-network coverage standards contained additional attachments that were not explained or integrated into revised and updated comparative analyses.	

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ARTICLE 44 STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION
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Name of Managed Care Organization Independent Health Association, Inc	**SURVEY DATES:** September 14, 2022 - October 20, 2023 **Survey ID #** 1852261435
Deficiencies	**Plan of Correction with Timetable**
Specifically, for outlier review, the focus of each separate analysis provided by IHA and Beacon was different. Beacon's separate analysis addressed fraud, waste, and abuse and IHA's mainly addressed medical necessity reviews and prior authorization requirements. The MCO failed to explain how these are comparable within the comparative analysis. IHA and Beacon also reported different dollar thresholds that can trigger the NQTL. IHA reported a threshold of $200,000 and Beacon reported a threshold of $10,000. IHA threshold being 20 times greater is an indication of different monetary thresholds for MH/SUD services and M/S services is the same as the MCO's Phase III workbook, thereby making this treatment limitation a violation of MHPAEA. **This is a repeat violation.** This was discussed with IHA during an exit conference call on October 20, 2023.	

Statement of Findings
Independent Health Association, Inc.
Mental Health Parity and Addiction Equity Act (MHPAEA) Compliance
Virtual Focus Survey
Survey Dates: September 14, 2022 – October 20, 2023
Survey ID: 1852261435

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.

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, Independent Health Association, Inc. (IHA) failed to provide sufficient comparative analyses demonstrating compliance with MHPAEA, P.L. 110-343, for the following NQTLs:

- prior authorization,
- concurrent review,
- coding edits,

- out-of-network coverage standards,
- reimbursement,
- retrospective review,
- experimental/investigational determinations
- and provider credentialing.

Additionally, IHA failed to demonstrate compliance with MHPAEA for outlier review.

Specifically, during the review of the NQTL workbooks it was found that IHA and its behavioral health vendor, Beacon, provided separate submissions that were not integrated into sufficient comparative analyses for prior authorization, concurrent review, reimbursement, retrospective review, outlier review, experimental/investigational determinations, and provider credentialing failing to demonstrate the processes, strategies, evidentiary standards, or other factors used in applying each NQTL to mental health and substance use disorder (MH/SUD) benefits are comparable to and are applied no more stringently than those used in applying the limitation to medical and surgical (M/S) benefits.

Information submitted in response to the Focus Survey Attachment A requests were also not incorporated into the workbook responses and comparative analyses for prior authorization, retrospective review, and provider credentialing. Additionally, for coding edits and out-of-network coverage standards, IHA failed to provide sufficient comparative analyses as written and in-operation. The workbook information provided for both coding edits and out-of-network coverage standards contained additional attachments that were not explained or integrated into revised and updated comparative analyses.

Specifically, for outlier review, the focus of each separate analysis provided by IHA and Beacon was different. Beacon's separate analysis addressed fraud, waste, and abuse and IHA's mainly addressed medical necessity reviews and prior authorization requirements. The MCO failed to explain how these are comparable within the comparative analysis. IHA and Beacon also reported different dollar thresholds that can trigger the NQTL. IHA reported a threshold of $200,000 and Beacon reported a threshold of $10,000. IHA threshold being 20 times greater is an indication of different monetary thresholds for MH/SUD services and M/S services is the same as the MCO's Phase III workbook, thereby making this treatment limitation a violation of MHPAEA.

This was discussed with IHA during an exit conference call on October 20, 2023.

Corrective Action:

As noted in its letter dated March 8, 2024, IHA submitted outdated workbooks due to a misunderstanding of the original survey request. These workbooks contained some incorrect information. IHA will initiate bi-weekly work sessions no later than March 21, 2024, with internal stakeholders and delegate representatives, as appropriate, to update workbooks with complete and accurate information. IHA will ensure that updated workbooks integrate information and data gathered from IHA and Carelon into a single workbook and analysis for prior authorization, concurrent review, coding edits, out-of-network coverage standards, reimbursement, retrospective review, experimental/investigational determinations, outlier reviews, and provider credentialing, if applicable. Workbooks will be kept up-to-date through quarterly monitoring and annual reviews.

Information from coding edits and out-of-network coverage standards exhibits will be incorporated into the workbooks, as appropriate.

The workbook responses for prior authorization (PA), retrospective review, and provider credentialing will be further updated to include:

Prior Authorization

· A review of partially paid claims for MH/SUD inpatient services and MH/SUD outpatient services which were subject to a prior authorization requirement.

· A review of PA request outcomes for inpatient and outpatient M/S and MH/SUD services.

Retrospective Review

· A review of how many previously paid MH/SUD and M/S claims were subsequently partially paid or otherwise denied.

· A review of claims payment outcomes for MH/SUD services for which PA and/or CR are prohibited.

Provider Credentialing

· Indication of whether a contractual agreement with a provider is a prerequisite to initiation of provider credentialing and, if so, a review of the reasons for failed provider contract negotiations by provider type.

· A review of MH/SUD providers placed on prepayment audit review and the reasons for such placement.

IHA determined that the outlier review workbooks responses were incorrect:

(1) The reported thresholds for M/S were incomplete and incorrect.

(2) There is no outlier review process that limits the scope or duration of services for MH/SUD and, therefore, no outlier review NQTL is applied to MH/SUD services. However, IHA will include outlier review processes in its annual NQTL review process and ongoing monitoring. IHA will complete the NQTL workbook for outlier review if it is determined that any outlier review NQTL is applied to MH/SUD services. The NQTL workbook, if applicable, will reflect the complete and correct thresholds for M/S (and MH/SUD).

Responsible Party:

[redacted], VP, Chief Compliance Officer and Mental Health Parity Compliance Officer

Monitoring and/or Auditing:

Once NQTL workbooks are integrated and reviewed as complete by the Mental Health Parity Compliance Officer, no later than June 1, 2024, bi-weekly work sessions will be converted to monthly touchpoints to confirm current status of each NQTL and, if successful after 3 months, will be integrated into quarterly monitoring activities under the Mental Health Parity Compliance Program. The Plan of Correction will be reported to and monitored by IHA's Compliance Committee and Executive Team.

Training:

IHA performs mental health parity compliance training annually through its compliance training program, with the most recent training conducted from July 1, 2023, through October 1, 2023. Training materials for 2024 annual training will be reviewed and revised, as appropriate, by July 1, 2024.

Date Certain:

July 1, 2024