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 Independent Health Association, Inc.	**TYPE OF SURVEY:** Focus Survey: Mental Health Parity and Addiction Equity Act Testing of Phase III Workbooks
STREET ADDRESS, CITY, STATE, ZIP CODE 511 Farber Lakes Drive Buffalo, NY 14221	**SURVEY DATES:** March 11, 2020 – November 30, 2020 Survey ID #: 1215102805

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 CRR-NY 98-1.16 Disclosure and filing **(h) In the event an MCO does not provide substantially complete reports or other information required under this Subpart by the due date, or provide requested information within 30 days of any written request for a specific analysis or report by the superintendent or commissioner, the superintendent or commissioner is authorized to levy a civil penalty, after notice and hearing, pursuant to section 12 of the Public Health Law or sections 307 and 308 of the Insurance Law.** **Deficiency:** Based on the review of Independent Health Association, Inc.'s Phase III nonquantitative treatment limitation (NQTL) workbook submissions, the MCO failed to provide all required information and comparative analyses demonstrating compliance with the Mental Health Parity and Addiction Equity Act of 2008, (P.L. 110-343; MHPAEA) for 5 of 10 NQTLS examined, including retrospective review, outlier review, experimental/investigational determinations, fail first, and provider credentialing. • Specifically, Independent Health Association, Inc. failed to provide all required information and substantive comparative analyses in Step 4, as written comparability and equivalent stringency, for outlier review in the inpatient and	**Corrective Action:** **Phase III - Retrospective Review** **Review:** Independent Health Association ("IHA") will add comparability and equivalent stringency as a standing agenda item on Joint Operating Oversight meetings applicable to delegate partnerships. IHA will develop additional reporting to demonstrate that the factors and application of policies and strategies for MH/SUD medications are comparable and are not more stringently applied than those for M/S medications. **Responsible Party:** [redacted] Jr, Director, Utilization Quality Operations Improvement Management [redacted], Clinical Manager – Behavioral

MCO Representative's Signature [redacted]	Date11/16/21
Title Chief Compliance Officer/Mental Health Parity Compliance Officer	

outpatient benefit classifications and in Step 5, in-operation comparability and equivalent stringency, for retrospective review, outlier review and experimental/investigational determinations in the inpatient, outpatient, and prescription drug benefit classifications. The MCO failed to provide all required information and substantive comparative analyses in Steps 1 through 5 for fail first in the prescription drug benefit classification and in Step 5, in-operation comparability and equivalent stringency, 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. **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 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**	Health [redacted], Director-Pharmacy Services & Operations [redacted] Chief Compliance Officer/Mental Health Parity Compliance Officer **Date Certain:** 3/31/22 – for the Inpatient and Outpatient 6/30/22 – for the Prescription Drugs **Monitoring and/or Auditing:** IHA's Compliance Department will assign an internal Corrective Action Plan ("CAP") to ensure the execution of the steps outlined in this Plan of Correction. The CAP will include detailed corrective actions to be taken, timeframes for completion, and a monitoring period, and will be reported to Management and the Board of Directors. Additionally, comparative analysis results will be reported to the Mental Health Parity Compliance Officer, Management, and the Board of Directors. The Compliance Department will assign an internal corrective action plan for any comparative analysis results that indicate a potential parity concern, updating policies and procedures and/or training associates as appropriate. **Education:** IHA has incorporated training and education on federal and state mental health and substance use disorder parity requirements for all workforce members that are engaged in functions that are subject to federal or state mental health and substance use disorder parity requirements or involved in the analysis as a part of the compliance program. This training is provided to all workforce members at new hire orientation and annually thereafter. Should review of comparative analyses identify parity issues, additional education on parity requirements will be included as part of a CAP. **Phase III - Outlier Review** **Review:** After review, it has been identified that the information submitted related to the High Dollar Claim Review portion of the Outlier Review NQTL was
MCO Representative's Signature [redacted]	Date11/16/21
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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 the review of Independent Health Association, Inc.'s Phase III NQTL workbook submission (submitted August 14, 2020) for retrospective review and outlier review, the MCO failed to comply with MHPAEA.

- Specifically, the MCO's submission for retrospective review in the inpatient and outpatient benefit classifications demonstrated in Step 1, MCO specific language of NQTL, Step 2, factors triggering the NQTL, and Step 3, evidentiary standards comparability and equivalent stringency, the processes, strategies, evidentiary standards, and other factors used in designing retrospective review for mental health and substance use disorder (MH/SUD) benefits were not comparable to those utilized for medical and surgical (M/S) benefits. Specifically, several factors that trigger retrospective review for

incomplete. Based on a review of the High Dollar Claim Review process and the underlying reporting, MH/SUD claims and M/S claims are triggered for review in a comparable manner, which makes the current High Dollar Claim Review process parity compliant.

High Dollar Claim Reviews for M/S claims are conducted based on the following set thresholds: $40k for all participating Institutional claims, $5k for all participating Professional claims, and $10k for all non-participating claims. Beacon Health Options ("Beacon"), IHA's delegated entity that manages the MH/SUD benefit for certain lines of business, has a High Dollar Claim Review threshold of $10k for all claim types. Based on the above thresholds, participating Professional claims are reviewed at a more restrictive threshold for M/S claims and all non-participating claims for both M/S and MH/SUD are reviewed at the same threshold. Reporting shows that there were 23,564 M/S Institutional claims from July 1, 2021, and June 30, 2021. Of those 23,564 M/S Institutional claims, 1,330 exceeded the $40k threshold. This means that 5.64% of participating Institutional claims for M/S services were reviewed as part of the High Dollar Claim Review process during that review period. Further, there were 3,953 MH/SUD Institutional claims during the same time period. Of those MH/SUD Institutional claims, 197, exceeded the $10k threshold. This means that 4.98% of participating Institutional claims for MH/SUD services exceeded the $10k threshold and are reviewed as part of the High Dollar Claim Review process. Based on this information, a higher percentage of M/S participating Institutional claims were reviewed than the MH/SUD claims in the same category and supports the conclusion that the High Dollar Claim Review portion of Outlier Review is parity compliant.

As it relates to conducting a comparative analysis for all portions of the Outlier Review NQTL to ensure that parity compliance, IHA will conduct an annual comparative analysis of all aspects of the Outlier Review NQTL, which will include the relevant material from Beacon as well.

IHA will develop additional reporting to demonstrate that the factors and application of policies and

MCO Representative's Signature [redacted]	Date11/16/21
Title Chief Compliance Officer/Mental Health Parity Compliance Officer	

MH/SUD were reported to be related to clinical appropriateness; however, the submission did not indicate that this is comparable to M/S. The MCO's submission for outlier review in the inpatient and outpatient benefit classifications demonstrated in Step 3, evidentiary standards comparability and equivalent stringency, that the evidentiary standards used to define the factor of "high cost" are not comparable to and are more stringently applied to MH/SUD benefits compared to M/S benefits. To wit, the MCO indicates that the monetary threshold for outlier review is 20 times greater for M/S services than for MH//SUD services, thereby making this treatment limitation a violation of MHPAEA.	strategies for MH/SUD medications are comparable and are not more stringently applied than those for M/S medications. **Responsible Party:** [redacted] Director – Claims Operations [redacted], Director-Pharmacy Services & Operations [redacted] – Chief Compliance Officer/Mental Parity Compliance Officer **Date Certain:** 3/31/22 – Inpatient and Outpatient 6/30/22 – Prescription Drug **Monitoring and/or Auditing:** IHA's Compliance Department will assign an internal Corrective Action Plan ("CAP") to ensure the execution of the steps outlined in this Plan of Correction. The CAP will include detailed corrective actions to be taken, timeframes for completion, and a monitoring period, and will be reported to Management and the Board of Directors. Additionally, annual comparative analysis results will be reported to the Mental Health Parity Compliance Officer, Management, and the Board of Directors. The Compliance Department will assign an internal corrective action plan for any comparative analysis results that indicate a potential parity concern, updating policies and procedures and/or training associates as appropriate. **Education:** IHA has incorporated training and education on federal and state mental health and substance use disorder parity requirements for all workforce members that are engaged in functions that are subject to federal or state mental health and substance use disorder parity requirements or involved in the analysis as a part of the compliance program. This training is provided to all workforce members at new hire orientation and annually thereafter. Should review of comparative analyses identify parity issues, additional education on parity requirements will be included as part of a CAP.
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Title Chief Compliance Officer/Mental Health Parity Compliance Officer	

Phase III - Experimental/Investigational Determinations

Review: IHA will add comparability and equivalent stringency as a standing agenda item on Joint Operating Oversight meetings applicable to delegate partnerships.

IHA will develop additional reporting to demonstrate that the factors and application of policies and strategies for MH/SUD medications are comparable and are not more stringently applied than those for M/S medications.

Responsible Party:

[redacted], Director, Utilization Quality Operations Improvement Management

[redacted], Clinical Manager – Behavioral Health

[redacted], Director-Pharmacy Services & Operations

[redacted] Chief Compliance Officer/Mental Health Parity Compliance Officer

Date Certain:

3/31/22 – Inpatient and Outpatient

6/30/22 – Prescription Drugs

Monitoring and/or Auditing: IHA's Compliance Department will assign an internal Corrective Action Plan ("CAP") to ensure the execution of the steps outlined in this Plan of Correction. The CAP will include detailed corrective actions to be taken, timeframes for completion, and a monitoring period, and will be reported to Management and the Board of Directors. Additionally, comparative analysis results will be reported to the Mental Health Parity Compliance Officer, Management, and the Board of Directors. The Compliance Department will assign an internal corrective action plan for any comparative

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analysis results that indicate a potential parity concern, updating policies and procedures and/or training associates as appropriate.

Education: IHA has incorporated training and education on federal and state mental health and substance use disorder parity requirements for all workforce members that are engaged in functions that are subject to federal or state mental health and substance use disorder parity requirements or involved in the analysis as a part of the compliance program. This training is provided to all workforce members at new hire orientation and annually thereafter. Should review of comparative analyses identify parity issues, additional education on parity requirements will be included as part of a CAP.

Phase III - Fail First

Review: IHA's Pharmacy Department utilizes the Pharmacy and Therapeutics ("P&T") Committee, to ensure that comparable standards and processes are used when determining if a medication should require step-therapy (fail first) for both M/S and MH/SUD drugs. Medications are determined to require step therapy by the P & T Committee by reviewing current peer reviewed primary literature, FDA package labelling, clinical trials, compendial sources, and published clinical guidelines as references, based on a review of those materials the P&T Committee may decide to add step therapy to a medication. Additionally, all non-formulary medications require the use of formulary alternatives prior to approving a non-formulary product (unless a formulary exception exists). Medications listed on the formulary as requiring step therapy will automatically process when billed by a pharmacy if any of the medications required to be trialed initially, have been recently billed by a pharmacy. The same exception process is allowed and followed for both M/S and MH/SUD medications that require step-therapy, which is based on information provided by a healthcare professional that indicates a reason why step-therapy cannot be used in that instance.

IHA will develop additional reporting to demonstrate

MCO Representative's Signature [redacted]	Date11/16/21
Title Chief Compliance Officer/Mental Health Parity Compliance Officer	

	that the factors and application of policies and strategies for MH/SUD medications are comparable and are not more stringently applied than those for M/S medications. This reporting will be used to inform a comparative analysis to ensure that M/S and MH/SUD medications are being treated in a comparable manner. Further, IHA will ensure that future workbooks prompts are followed in the completion of this or similar type review. **Responsible Party:** [redacted] Director-Pharmacy Services & Operations **Date Certain:** 2/28/22 – For reporting 6/30/22 – to complete initial comparative analysis **Monitoring and/or Auditing:** IHA's Compliance Department will assign an internal Corrective Action Plan ("CAP") to ensure the execution of the steps outlined in this Plan of Correction. The CAP will include detailed corrective actions to be taken, timeframes for completion, and a monitoring period, and will be reported to Management and the Board of Directors. Additionally, annual comparative analysis results will be reported to the Mental Health Parity Compliance Officer, Management, and the Board of Directors. The Compliance Department will assign an internal corrective action plan for any comparative analysis results that indicate a potential parity concern, updating policies and procedures and/or training associates as appropriate. **Education:** IHA has incorporated training and education on federal and state mental health and substance use disorder parity requirements for all workforce members that are engaged in functions that are subject to federal or state mental health and substance use disorder parity requirements or involved in the analysis as a part of the compliance program. This training is provided to all workforce members at new hire orientation and annually thereafter. Should review of comparative analyses
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Title Chief Compliance Officer/Mental Health Parity Compliance Officer	

identify parity issues, additional education on parity requirements will be included as part of a CAP.

Phase III - Provider Credentialing

Review: IHA believes that its Provider Credentialing policies and processes are parity compliant as the same policies and processes are used in the credentialing of both M/S and MH/SUD providers. IHA will establish reporting to assist in the completion of a biannual comparative analysis to ensure that the credentialing and recredentialing processes are compliant in operation. IHA does utilize a provider network supplied by Beacon Health Options ("Beacon"), a delegated entity of IHA, and while Beacon credentials and recredentials their own providers, IHA's comparative analyses will include relevant information from Beacon to ensure parity compliance in operation between M/S and MH/SUD providers.

Responsible Party:
[redacted] - Manager-Credentialing
[redacted] - Manager-Network Contracts
[redacted] – Chief Compliance Officer/Mental Health Parity Compliance Officer

Date Certain:

1/31/22 - Establish Reporting
4/30/22 – Completion of Initial Biannual Comparative Analysis
7/31/22 - Implement any internal corrective action identified during the Initial Biannual Comparative Analysis

Monitoring and/or Auditing: IHA's Compliance Department will assign an internal Corrective Action Plan ("CAP") to ensure the execution of the steps outlined in this Plan of Correction. The CAP will include detailed corrective actions to be taken, timeframes for completion, and a monitoring period, and will be reported to Management and the Board of Directors. Additionally, biannual comparative analysis results will be reported to the Mental Health Parity Compliance Officer, Management, and the Board of Directors. The Compliance Department will assign an

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	internal corrective action plan for any comparative analysis results that indicate a potential parity concern, updating policies and procedures and/or training associates as appropriate. **Education:** IHA has incorporated training and education on federal and state mental health and substance use disorder parity requirements for all workforce members that are engaged in functions that are subject to federal or state mental health and substance use disorder parity requirements or involved in the analysis as a part of the compliance program. This training is provided to all workforce members at new hire orientation and annually thereafter. Should review of comparative analyses identify parity issues, additional education on parity requirements will be included as part of a CAP.

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Statement of Findings
Independent Health Association, Inc.
Mental Health Parity and Addiction Equity Act Testing of Phase III Workbooks
March 11, 2020 – November 30, 2020
Survey ID #: 1215102805

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 Independent Health Association, Inc.'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, Independent Health Association, Inc. failed to provide all required information and substantive comparative analyses in Step 4, as written comparability and equivalent stringency, for outlier review in the inpatient and outpatient benefit classifications and in Step 5, in-operation comparability and equivalent stringency, for retrospective review, outlier review and experimental/investigational determinations in the inpatient, outpatient, and prescription drug benefit classifications.

  The MCO failed to provide all required information and substantive comparative analyses in Steps 1 through 5 for fail first in the prescription drug benefit classification and in Step 5, in-operation comparability and equivalent stringency, 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.

  Additionally, based on the review of Independent Health Association, Inc.'s Phase III NQTL workbook submission (submitted August 14, 2020) for retrospective review and outlier review, the MCO is not in compliance with MHPAEA. The MCO's submission for retrospective review in the inpatient and outpatient benefit classifications demonstrated in Step 1, MCO specific language of NQTL, Step 2, factors triggering the NQTL, and Step 3, evidentiary standards comparability and equivalent stringency, the processes, strategies, evidentiary standards, and other factors used in designing retrospective review for mental health and substance use disorder (MH/SUD) benefits were not comparable to those utilized for medical and surgical (M/S) benefits. Specifically, several factors that trigger retrospective review for MH/SUD were reported to be related to clinical appropriateness; however, the submission did not indicate that this is comparable to M/S.

  The MCO's submission for outlier review in the inpatient and outpatient benefit classifications demonstrated in Step 3, evidentiary standards comparability and equivalent stringency, that the evidentiary standards used to define the factor of "high cost" are not comparable to and are more stringently applied to MH/SUD benefits compared to M/S benefits. To wit, the MCO indicates that the monetary threshold for outlier review is 20 times greater for M/S services than for MH//SUD services, thereby making this treatment limitation a violation of MHPAEA.

Corrective Action:

Phase III - Retrospective Review

Review: Independent Health Association ("IHA") will add comparability and equivalent stringency as a standing agenda item on Joint Operating Oversight meetings applicable to delegate partnerships.

IHA will develop additional reporting to demonstrate that the factors and application of policies and strategies for MH/SUD medications are comparable and are not more stringently applied than those for M/S medications.

Responsible Party:

[redacted] Director, Utilization Quality Operations Improvement Management

[redacted], Clinical Manager – Behavioral Health

[redacted], Director-Pharmacy Services & Operations

[redacted], Chief Compliance Officer/Mental Health Parity Compliance Officer

Date Certain:

3/31/22 – for the Inpatient and Outpatient

6/30/22 – for the Prescription Drugs

Monitoring and/or Auditing: IHA's Compliance Department will assign an internal Corrective Action Plan ("CAP") to ensure the execution of the steps outlined in this Plan of Correction. The CAP will include detailed corrective actions to be taken, timeframes for completion, and a monitoring period, and will be reported to Management and the Board of Directors. Additionally, comparative analysis results will be reported to the Mental Health Parity Compliance Officer, Management, and the Board of Directors. The Compliance Department will assign an internal corrective action plan for any comparative analysis results that indicate a potential parity concern, updating policies and procedures and/or training associates as appropriate.

Education: IHA has incorporated training and education on federal and state mental health and substance use disorder parity requirements for all workforce members that are engaged in functions that are subject to federal or state mental health and substance use disorder parity requirements or involved in the analysis as a part of the compliance program. This training is provided to all workforce members at new hire orientation and annually thereafter. Should review of comparative analyses identify parity issues, additional education on parity requirements will be included as part of a CAP.

Phase III - Outlier Review

Review: After review, it has been identified that the information submitted related to the High Dollar Claim Review portion of the Outlier Review NQTL was incomplete. Based on a review of the High Dollar Claim Review process and the underlying reporting, MH/SUD claims and M/S claims are triggered for

review in a comparable manner, which makes the current High Dollar Claim Review process parity compliant.

High Dollar Claim Reviews for M/S claims are conducted based on the following set thresholds: $40k for all participating Institutional claims, $5k for all participating Professional claims, and $10k for all non-participating claims. Beacon Health Options ("Beacon"), IHA's delegated entity that manages the MH/SUD benefit for certain lines of business, has a High Dollar Claim Review threshold of $10k for all claim types. Based on the above thresholds, participating Professional claims are reviewed at a more restrictive threshold for M/S claims and all non-participating claims for both M/S and MH/SUD are reviewed at the same threshold. Reporting shows that there were 23,564 M/S Institutional claims from July 1, 2021, and June 30, 2021. Of those 23,564 M/S Institutional claims, 1,330 exceeded the $40k threshold. This means that 5.64% of participating Institutional claims for M/S services were reviewed as part of the High Dollar Claim Review process during that review period. Further, there were 3,953 MH/SUD Institutional claims during the same time period. Of those MH/SUD Institutional claims, 197, exceeded the $10k threshold. This means that 4.98% of participating Institutional claims for MH/SUD services exceeded the $10k threshold and are reviewed as part of the High Dollar Claim Review process. Based on this information, a higher percentage of M/S participating Institutional claims were reviewed than the MH/SUD claims in the same category and supports the conclusion that the High Dollar Claim Review portion of Outlier Review is parity compliant.

As it relates to conducting a comparative analysis for all portions of the Outlier Review NQTL to ensure that parity compliance, IHA will conduct an annual comparative analysis of all aspects of the Outlier Review NQTL, which will include the relevant material from Beacon as well.

IHA will develop additional reporting to demonstrate that the factors and application of policies and strategies for MH/SUD medications are comparable and are not more stringently applied than those for M/S medications.

Responsible Party:

[redacted], Director – Claims Operations

[redacted], Director-Pharmacy Services & Operations

[redacted] – Chief Compliance Officer/Mental Parity Compliance Officer

Date Certain:

3/31/22 – Inpatient and Outpatient

6/30/22 – Prescription Drug

Monitoring and/or Auditing: IHA's Compliance Department will assign an internal Corrective Action Plan ("CAP") to ensure the execution of the steps outlined in this Plan of Correction. The CAP will include detailed corrective actions to be taken, timeframes for completion, and a monitoring period, and will be reported to Management and the Board of Directors. Additionally, annual comparative analysis results will be reported to the Mental Health Parity Compliance Officer, Management, and the Board of Directors. The Compliance Department will assign an internal corrective action plan for any comparative

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Phase III - Experimental/Investigational Determinations

Review: IHA will add comparability and equivalent stringency as a standing agenda item on Joint Operating Oversight meetings applicable to delegate partnerships.

IHA will develop additional reporting to demonstrate that the factors and application of policies and strategies for MH/SUD medications are comparable and are not more stringently applied than those for M/S medications.

Responsible Party:

[redacted], Director, Utilization Quality Operations Improvement Management

[redacted], Clinical Manager – Behavioral Health

[redacted], Director-Pharmacy Services & Operations

[redacted], Chief Compliance Officer/Mental Health Parity Compliance Officer

Date Certain:

3/31/22 – Inpatient and Outpatient

6/30/22 – Prescription Drugs

Monitoring and/or Auditing: IHA's Compliance Department will assign an internal Corrective Action Plan ("CAP") to ensure the execution of the steps outlined in this Plan of Correction. The CAP will include detailed corrective actions to be taken, timeframes for completion, and a monitoring period, and will be reported to Management and the Board of Directors. Additionally, comparative analysis results will be reported to the Mental Health Parity Compliance Officer, Management, and the Board of Directors. The Compliance Department will assign an internal corrective action plan for any comparative analysis results that indicate a potential parity concern, updating policies and procedures and/or training associates as appropriate.

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Phase III - Fail First

Review: IHA's Pharmacy Department utilizes the Pharmacy and Therapeutics ("P&T") Committee, to ensure that comparable standards and processes are used when determining if a medication should require step-therapy (fail first) for both M/S and MH/SUD drugs. Medications are determined to require step therapy by the P & T Committee by reviewing current peer reviewed primary literature, FDA package labelling, clinical trials, compendial sources, and published clinical guidelines as references, based on a review of those materials the P&T Committee may decide to add step therapy to a medication. Additionally, all non-formulary medications require the use of formulary alternatives prior to approving a non-formulary product (unless a formulary exception exists). Medications listed on the formulary as requiring step therapy will automatically process when billed by a pharmacy if any of the medications required to be trialed initially, have been recently billed by a pharmacy. The same exception process is allowed and followed for both M/S and MH/SUD medications that require step-therapy, which is based on information provided by a healthcare professional that indicates a reason why step-therapy cannot be used in that instance.

IHA will develop additional reporting to demonstrate that the factors and application of policies and strategies for MH/SUD medications are comparable and are not more stringently applied than those for M/S medications. This reporting will be used to inform a comparative analysis to ensure that M/S and MH/SUD medications are being treated in a comparable manner.

Further, IHA will ensure that future workbooks prompts are followed in the completion of this or similar type review.

Responsible Party:

[redacted] Director-Pharmacy Services & Operations

Date Certain:

2/28/22 – For reporting

6/30/22 – to complete initial comparative analysis

Monitoring and/or Auditing: IHA's Compliance Department will assign an internal Corrective Action Plan ("CAP") to ensure the execution of the steps outlined in this Plan of Correction. The CAP will include detailed corrective actions to be taken, timeframes for completion, and a monitoring period, and will be reported to Management and the Board of Directors. Additionally, annual comparative analysis results will be reported to the Mental Health Parity Compliance Officer, Management, and the Board of Directors. The Compliance Department will assign an internal corrective action plan for any comparative analysis results that indicate a potential parity concern, updating policies and procedures and/or training associates as appropriate.

Education: IHA has incorporated training and education on federal and state mental health and substance use disorder parity requirements for all workforce members that are engaged in functions that are subject to federal or state mental health and substance use disorder parity requirements or involved in the analysis as a part of the compliance program. This training is provided to all workforce members at new hire orientation and annually thereafter. Should review of comparative analyses identify parity issues, additional education on parity requirements will be included as part of a CAP.

Phase III - Provider Credentialing

Review: IHA believes that its Provider Credentialing policies and processes are parity compliant as the same policies and processes are used in the credentialing of both M/S and MH/SUD providers. IHA will establish reporting to assist in the completion of a biannual comparative analysis to ensure that the credentialing and recredentialing processes are compliant in operation. IHA does utilize a provider network supplied by Beacon Health Options ("Beacon"), a delegated entity of IHA, and while Beacon credentials and recredentials their own providers, IHA's comparative analyses will include relevant information from Beacon to ensure parity compliance in operation between M/S and MH/SUD providers.

Responsible Party:

[redacted] - Manager-Credentialing

[redacted] - Manager-Network Contracts

[redacted] – Chief Compliance Officer/Mental Health Parity Compliance Officer

Date Certain:

1/31/22 - Establish Reporting

4/30/22 – Completion of Initial Biannual Comparative Analysis

7/31/22 - Implement any internal corrective action identified during the Initial Biannual Comparative Analysis

Monitoring and/or Auditing: IHA's Compliance Department will assign an internal Corrective Action Plan ("CAP") to ensure the execution of the steps outlined in this Plan of Correction. The CAP will include detailed corrective actions to be taken, timeframes for completion, and a monitoring period, and will be reported to Management and the Board of Directors. Additionally, biannual comparative analysis results will be reported to the Mental Health Parity Compliance Officer, Management, and the Board of Directors. The Compliance Department will assign an internal corrective action plan for any comparative analysis results that indicate a potential parity concern, updating policies and procedures and/or training associates as appropriate.

Education: IHA has incorporated training and education on federal and state mental health and substance use disorder parity requirements for all workforce members that are engaged in functions that are subject to federal or state mental health and substance use disorder parity requirements or involved in the analysis as a part of the compliance program. This training is provided to all workforce members at new hire orientation and annually thereafter. Should review of comparative analyses identify parity issues, additional education on parity requirements will be included as part of a CAP.