

NEW YORK STATE DEPARTMENT OF HEALTH DIVISION OF HEALTH PLAN CONTRACTING AND OVERSIGHT ARTICLES 44 AND 49 STATEMENT OF DEFICIENCIES	
<b>NAME OF MANAGED CARE ORGANIZATION</b> New York Quality HealthCare Corporation	<b>TYPE OF SURVEY:</b> Focus Survey: Mental Health Parity and Addiction Equity Act Testing of Phase III Workbooks
<b>STREET ADDRESS, CITY, STATE, ZIP CODE</b> 95-25 Queens Blvd. 8th Floor Rego Park, NY 11374	<b>SURVEY DATES:</b> March 11, 2020 — November 30, 2020 Survey ID #: -1679141172
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.	
<b>Deficiencies</b>	<b>Plan of Correction with Timetable</b>
<p><b>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.</b></p> <p><b>Deficiency:</b></p> <p>Based on the review of Fidelis Care'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 (MHPAEA), P.L. 110-343, for 5 of 10 NQTLs examined, including retrospective review, outlier review, experimental/investigational determinations, fail first, and provider credentialing.</p> <ul style="list-style-type: none"> <li>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.</li> </ul>	<p>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:</p> <p><b>Step 1 Parity Compliance Education and Training:</b> 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.</p> <p><b>Timeline:</b> An initial parity education and training was provided on <b>2/12/2021</b>. Additional training was provided on the following dates:</p> <ol style="list-style-type: none"> <li>Retrospective Review NQTL education and training was provided on <b>5/25/2021</b>, 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.</li> <li>Outlier Review NQTL education and training was provided on <b>5/25/2021</b>.</li> <li>Experimental/Investigational Determinations NQTL education and training was provided on <b>4/5/2021</b>.</li> <li>Fail First NQTL education and training was provided on <b>2/23/2021</b> and Fidelis determined that Fidelis does not apply this NQTL to any benefits.</li> <li>Provider Credentialing education and training was provided <b>6/15/2021</b>.</li> </ol> <p><b>Responsible Person:</b> The Director of Compliance, will be responsible for ensuring completion of this aspect of the plan of correction.</p> <p><b>Step 2 Plan of Correction:</b></p>

MCO Representative:

[signature here]



Date: November 16, 2021

Title: Vice President, Compliance

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

**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 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**

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.

**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.

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 Fidelis Care's Phase III NQTL workbook submission (submitted August 14, 2020) for outlier review, the MCO failed to comply with MHPAEA.

- Specifically, 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.

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.

##### **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).

##### **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.

**Addendum A:**

**Fidelis Corrective Action Plan (CAP) Monitoring for Department of Health (DOH) Articles 44 and 49 Statement of Deficiencies 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 used 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 continued to be implemented until February 2, 2022, when it will be completed.