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

<table>
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<tr>
<th>NAME OF MANAGED CARE ORGANIZATION</th>
<th>TYPE OF SURVEY:</th>
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<tr>
<td>Visiting Nurses Service of New York Choice (VNSNY)</td>
<td>Focus Survey: MHPAEA Testing Phase III Workbooks</td>
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<tr>
<th>STREET ADDRESS, CITY, STATE, ZIP CODE</th>
<th>SURVEY DATES:</th>
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<tbody>
<tr>
<td>1250 Broadway, 26th Floor New York, NY 10001</td>
<td>March 11, 2020 – November 30, 2020</td>
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**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.

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<tr>
<th>Deficiencies</th>
<th>Plan of Correction with Timetable</th>
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<tr>
<td>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.</td>
<td>Phase III workbooks will be updated and maintained with the required information and substantive analysis demonstrating compliance with Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA). Specifically, the plan will conduct reviews of the following data elements from the State tools:</td>
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<td><strong>Deficiency:</strong></td>
<td><strong>Retrospective Review:</strong></td>
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<td>Based on the review of Visiting Nurses Service of New York Choice (VNSNY) 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; retrospective review, outlier review, experimental/investigational determinations, fail first, and provider credentialing.</td>
<td><strong>Inpatient and Outpatient – Steps 3-5</strong></td>
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<td>Specifically, for inpatient and outpatient VNSNY failed to provide all required information and substantive comparative analyses in Steps 3 through 5, including</td>
<td><strong>Step 3:</strong> The Plan will identify the evidentiary standards and sources used to design its protocols for retrospective reviews. Examples will focus on Article 49 of Public Health Law Utilization Review and External Appeal and the New York State MMC SNP Model Contract.</td>
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<td><strong>Step 4:</strong> The plan will provide a comparative analysis indicating that the processes and strategies used to design the retrospective review and the strategies used to apply the NQTL are comparable to those used to design and apply the NQTL for M/S benefits. The Plan will add the following information related to M/S benefits to Step 4:</td>
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<td>• M/S staff requirements</td>
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<td>• Time frames for completing a retrospective review</td>
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<td>• Clinical peer reviewers</td>
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<td>• Adverse determination process</td>
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<td><strong>Step 5:</strong> The Plan will provide the comparative analysis</td>
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Title
President
failing to define factors in Step 3, evidentiary standards comparability and equivalent stringency, for retrospective review in the prescription drugs benefit classification. The MCO failed to provide all required information and substantive comparative analyses in Steps 1 through 5 for retrospective review in the prescription drugs benefit classification. For experimental/investigational determinations in the prescription drugs benefit classification, VNSNY failed to demonstrate that the factors identified for MH/SUD are comparable to M/S in Step 2, factors triggering the NQTL, failed to define factors in Step 3, evidentiary standards comparability and equivalent stringency, and failed to provide substantive comparative analyses in Step 3 through Step 5.

VNSNY failed to provide all required information and substantive comparative analyses for outlier review in Step 2 through Step 5 in the inpatient and outpatient benefit classifications and Step 3 through Step 5 in the prescription drugs benefit classification. In the prescription drugs benefit classification for fall first, VNSNY failed to define factors in Step 3, evidentiary standards comparability and equivalent stringency, and failed to provide substantive comparative analyses in Step 3 through 5. Additionally, the MCO failed to provide all required information and substantive comparative analyses Steps 1 through 5 for provider credentialing in the inpatient and outpatient benefit classifications.

indicating the processes and strategies used in operationalizing retrospective review for MH/SUD benefits are comparable to and no more stringently applied than those used in operationalizing retrospective review for M/S benefits. The plan will add the following related to M/S benefits:

- M/S staff requirements
- Time frames for completing a retrospective review
- Clinical peer reviewers
- Adverse determination process

**Responsible Person:** Tanya McCray, VP of Grievance and Appeals and Delegated Vendor Oversight

**Prescription Drugs – Steps 1-5**

**Step 1:** MedImpact will update its documentation to providethe specific plan language regarding the NQTL and describe how the NQTL is applied to prescription drug benefits.

**Step 2:** MedImpact will update its documentation to more specifically identify the factors that are used to apply the NQTL to prescription drug benefits for M/S and MH/SUD drugs.

**Step 3:** MedImpact will more clearly identify and describe the evidentiary standard for each of the factors identified in Step 2 including any other evidence relied upon to design and apply the NQTL. The definition for each factor will include the applicable evidentiary threshold that MedImpact uses to determine whether to invoke the factor in deciding whether to apply the NQTL type to a particular benefit.

**Step 4:** MedImpact will update its NQTL documentation to perform a comparability and stringency analysis in writing based on the factors more fully defined in Step 3. Specifically, MedImpact will document its analysis to reflect the analysis by which it determined comparability and stringency for the factors identified in Step 3.

**Step 5:** MedImpact 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 (Step 2) or definitions/evidentiary standards (Step 3) necessary to address potential parity red flags identified in the Step 5 operation analysis.

**Responsible Person:** Tanya McCray, VP of Grievance and Appeals and Delegated Vendor Oversight in collaboration with the Director for Federal and State Regulatory Compliance at MedImpact, Matt Kusek

**Training and Education:**
VNS CHOICE provided initial MH Parity training to key staff on December 27, 2021. By January 32, 2022, advanced training will be provided to the business leads responsible for revising the NQTL Workbook for Retrospective Review - G&A – the VP and Manager of G&A, Pharmacy – VP and Manager of Pharmacy, and MedImpact key staff.

**Monitoring:**
VNS CHOICE has drafted a BH Parity Compliance Oversight and Monitoring Policy that details the actions the Plan will take to ensure that any benefit limitations for mental health or substance use disorder benefits are comparable to those for medical/surgical benefits and will not impose less favorable benefit limitations on MH/SUD benefits compared to medical surgical benefits.

**Date Certain:** February 28, 2022

**Experimental/Investigational Determinations Inpatient and Outpatient – Steps 3-5**
**Step 3:** The Plan will review examples from page 15 of the Compliance Assistance Guide MHPAEA (Step 3) to identify and describe evidentiary standards and other evidence relied upon including:
- Medical expert reviews
- Recognized medical literature and professional standards and protocols
- Comparative effectiveness studies and clinical trial data
- Published research studies
Step 4: The Plan will review prompts from page 40 of the CMS Parity Compliance Toolkit Applying Mental Health and Substance Use Disorder Parity Requirements to Medicaid and Children’s Health Insurance to develop a comparative analysis of as written processes and strategies including:

- Policies and procedures, both written and in operation, associated with the development of the NQTL and its application to MH/SUD benefits in a classification. (If the NQTL is applied to MH/SUD benefits in more than one classification, this information will need to be collected for each classification in which the NQTL is applied to MH/SUD benefits.)
- Policies and procedures, both written and in operation, associated with the application of these NQTLs to M/S benefits in the same classification.

Step 5: The Plan will review prompts from page 40 of the CMS Parity Compliance Toolkit Applying Mental Health and Substance Use Disorder Parity Requirements to Medicaid and Children’s Health Insurance to develop a comparative analysis of as in operation processes and strategies including:

- Policies and procedures, both written and in operation, associated with the development of the NQTL and its application to MH/SUD benefits in a classification. (If the NQTL is applied to MH/SUD benefits in more than one classification, this information will need to be collected for each classification in which the NQTL is applied to MH/SUD benefits.)
- Policies and procedures, both written and in operation, associated with the application of these NQTLs to M/S benefits in the same classification.

Responsible Person: Jaime McDonald, Director of Care Management

Prescription Drugs – Steps 2-5

Step 2: MedImpact will update its documentation to more specifically identify the factors that are used to apply the NQTL to prescription drug benefits for M/S and MH/SUD drugs.

Step 3: MedImpact will more clearly identify and
describe the evidentiary standard for each of the factors identified in Step 2 including any other evidence relied upon to design and apply the NQTL. The definition for each factor will include the applicable evidentiary threshold that MedImpact uses to determine whether to invoke the factor in deciding whether to apply the NQTL type to a particular benefit.

**Step 4:** MedImpact will update its NQTL documentation to perform a comparability and stringency analysis in writing based on the factors more fully defined in Step 3. Specifically, MedImpact will document its analysis to reflect the analysis by which it determined comparability and stringency for the factors identified in Step 3.

**Step 5:** MedImpact 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 (Step 2) or definitions/evidentiary standards (Step 3) necessary to address potential parity red flags identified in the Step 5 operation analysis.

MedImpact will make technical specifications and raw data for all operations measures available upon request.

**Responsible Persons:** Tanya McCray, VP of Grievance and Appeals and Delegated Vendor Oversight in collaboration with the Director for Federal and State Regulatory Compliance at MedImpact, Matt Kusek

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Training and Education:
VNS CHOICE provided initial MH Parity training to key staff on December 27, 2021. By January 31, 2022, advanced training will be provided to the business areas and leads responsible for revising the NQTL Workbook for Experimental/Investigational Determinations: UM – the Director and Manager of Utilization Management, Delegated Vendor Oversight – the VP and Manager of Delegated Vendor Oversight, Pharmacy – VP and Manager of Pharmacy, and MedImpact key staff.

Monitoring:
VNS CHOICE has drafted a BH Parity Compliance Oversight and Monitoring Policy that details the actions the Plan will take to ensure that any benefit limitations for mental health or substance use disorder benefits are comparable to those for medical/surgical benefits and will not impose less favorable benefit limitations on MH/SUD benefits compared to medical surgical benefits.

Date Certain: February 28, 2022

Outlier Review

Inpatient and Outpatient Steps 1-5

Step 1: While not cited as a deficiency, VNSNY will redefine the definition of “Outlier Review Management” from the M/S perspective to be consistent with the definition applied by our Behavioral Health Vendor, Beacon Health. This will allow valid comparative analyses and comparisons to be performed between the application of Outlier Management to M/S vs. MH/SUD benefits.

The Plan’s definition of Outlier Management will focus on administrative review processes to ensure claims information is appropriate and to identify and prevent fraud, waste and abuse (FWA). The Plan will also include a description of our FWA process.

Step 2: The plan will identify factors considered in the design of the NQTL. Factors applicable to the Plan include but are not limited to: Claim types with high percentage of fraud, Claims exceeding $20,000 for a single claim, excessive utilization, and notifications from regulatory entities.
Step 3: Evidentiary standards will be identified and described using plan specific data from the factors listed on page 15 of the MHPAEA compliance assistance guide including but not limited to: internal claims analysis, State and Federal requirements, medical expert reviews.

Step 4: The Plan will provide comparative analyses demonstrating that the processes and strategies used in the design of the outlier review of MH/SUD benefits are comparable to and no more stringently applied than the processes and strategies used to design the outlier review of M/S benefits.

Step 5: The Plan will conduct analyses substantiating that factors, evidentiary standards and processes used in operationalizing outlier review are comparable and no more stringently applied to MH/SUD and medical/surgical benefits both as written and in operation.

Responsible Persons: Remy Nunez, Associate VP Operations and James Conroy, Manager SIU

Prescription Drugs – Steps 3-5

Step 3: MedImpact will more clearly identify and describe the evidentiary standard for each of the factors identified in Step 2, including any other evidence relied upon to design and apply the NQTL. The definition for each factor will include the applicable evidentiary threshold that MedImpact uses to determine whether to invoke the factor in deciding whether to apply the NQTL type to a particular benefit.

Step 4: MedImpact will update its NQTL documentation to perform a comparability and stringency analysis in writing based on the factors more fully defined in Step 3. Specifically, MedImpact will document its analysis to reflect the analysis by which it determined comparability and stringency for the factors identified in Step 3.

MedImpact’s 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.

MCO Representative's Signature

Date
1/27/22

Title
President
Step 5: MedImpact 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 (Step 2) or definitions/evidentiary standards (Step 3) necessary to address potential parity red flags identified in the Step 5 operation analysis.

Responsible Persons: Tanya McCray, VP of Grievance and Appeals and Delegated Vendor Oversight in collaboration with the Director for Federal and State Regulatory Compliance at MedImpact, Matt Kusek

Training and Education:
VNS CHOICE provided initial MH Parity training to key staff on December 27, 2021. By January 31, 2022, advanced training will be provided to the business leads responsible for revising the NQTL Workbook for Outlier Review: Delegated Vendor Oversight - VP and Manager of Delegated Vendor Oversight, Claims – Associate VP of CHOICE Operations, SIU – Manager of SIU, Pharmacy - Manager of Pharmacy, and MedImpact key staff.

Monitoring:
VNS CHOICE has drafted a BH Parity Compliance Oversight and Monitoring Policy that details the actions the Plan will take to ensure that any benefit limitations for mental health or substance use disorder benefits are comparable to those for medical/surgical benefits and will not impose less favorable benefit limitations on MH/SUD benefits compared to medical surgical benefits.
Fail First Prescription Drugs – Steps 3-5

Step 3: MedImpact will more clearly identify and describe the evidentiary standard for each of the factors identified in Step 2, including any other evidence relied upon to design and apply the NQTL. The definition for each factor will include the applicable evidentiary threshold that MedImpact uses to determine whether to invoke the factor in deciding whether to apply the NQTL type to a particular benefit.

Step 4: MedImpact will update its NQTL documentation to perform a comparability and stringency analysis in writing based on the factors more fully defined in Step 3. Specifically, MedImpact will document its analysis to reflect the analysis by which it determined comparability and stringency for the factors identified in Step 3.

MedImpact’s 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.

Step 5: MedImpact 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 (Step 2) or definitions/evidentiary standards (Step 3) necessary to address potential parity red flags identified in the Step 5 operation analysis.
Responsible Persons: Tanya McCray, VP of Grievance and Appeals and Delegated Vendor Oversight in collaboration with the Director for Federal and State Regulatory Compliance at MedImpact, Matt Kusek

Training and Education:
VNS CHOICE provided initial MH Parity training to key staff on December 27, 2021. By January 31, 2022, advanced training will be provided to the business leads responsible for revising the NQTL Workbook for Fail First: Delegated Vendor Oversight - VP and Manager of Delegated Vendor Oversight, Pharmacy - Manager of Pharmacy, and MedImpact key staff.

Monitoring:
VNS CHOICE has drafted a BH Parity Compliance Oversight and Monitoring Policy that details the actions the Plan will take to ensure that any benefit limitations for mental health or substance use disorder benefits are comparable to those for medical/surgical benefits and will not impose less favorable benefit limitations on MH/SUD benefits compared to medical surgical benefits.

Date Certain: February 28, 2022

Provider Credentialing
Inpatient and Outpatient
Due to an unintentional oversight, the incorrect Workbook was provided with the Phase III Workbook Submission.

The Provider Credentialing section for Inpatient and Outpatient had been completed at the time, however, the incorrect version was sent to the Department. Our corrective action is to provide the correct Workbook with this Statement of Deficiency. Please see Attachment B.

Responsible Person: Remy Nunez, Associate VP Operations

Summary:
Training and Education, Monitoring, Responsibility

Training and Education:

MCO Representative's Signature

Date
1/27/22

Title
President
As indicated in each NQTL Workbook Section above, VNSNY provided initial MH Parity education and training to key staff on December 27, 2021. Advanced training will be provided for the business leads responsible for revising and completing each NQTL Workbook. VNSNY will ensure that MedImpact provides education and education across all steps for the four prescription drug benefit classifications identified in this Statement of Deficiency.

Training will also be provided to impacted staff when there are changes in policies and procedures that address preventing potential non-compliance.

Training will be completed by January 31, 2022.

**Monitoring:**
VNS CHOICE has drafted a BH Parity Compliance Oversight and Monitoring Policy (Attachment A) that details the actions the Plan will take to ensure that any benefit limitations for mental health or substance use disorder benefits are comparable to those for medical/surgical benefits and will not impose less favorable benefit limitations on MH/SUD benefits compared to medical surgical benefits.

Each NQTL policy is reviewed by the appropriate workgroup and updated as needed to reflect ad hoc changes to policy, at the frequency called for by operations measures, and in any case at least annually.

If any comparative analyses identify parity violations, the Plan will keep record of those violations and produce evidence of the actions taken to remediate upon the State’s request. Monitoring is implemented to ensure the correction is maintained and a plan to educate/train staff on changes in policies and procedures that address potential noncompliance is put into action.

**Date Certain:**
The revision of all Workbooks will be completed by February 28, 2022.

**Responsible Person:**
Doug Goggin-Callan, VP of Compliance and Regulatory Affairs is responsible for the oversight of the MH Parity Compliance Program.
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