

**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> Health Insurance Plan of Greater New York, Inc.	<b>TYPE OF SURVEY:</b> Focus Survey: MHPAEA Testing Phase I and Phase II Workbooks
<b>STREET ADDRESS, CITY, STATE, ZIP CODE</b> 55 Water Street New York, NY 10041	<b>SURVEY DATES:</b> August 22, 2018 – September 8, 2020

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

Deficiencies	Plan of Correction with Timetable
<p><b>10 CRR-NY 98-1.16 Disclosure and filing.</b> <b>(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><u>Deficiency:</u></b></p> <p>Based on the review of Health Insurance Plan of Greater New York, Inc.'s (EmblemHealth) Phase I and Phase II 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. 110-345; MHPAEA) for 5 of 9 NQTLs examined; prior authorization, concurrent review, medical necessity criteria, coding edits and reimbursement.</p> <ul style="list-style-type: none"> <li>Specifically, in Phase I, EmblemHealth failed to define factors in (Step 3) evidentiary standards comparability and equivalent stringency and provide substantive comparative analyses for (Step 3) evidentiary standards comparability and equivalent stringency, (Step 4) as written comparability and equivalent stringency, and (Step 5) in operation comparability and equivalent stringency for inpatient and outpatient prior authorization. For prescription drug prior authorization, EmblemHealth failed to provide a submission (Steps 1 through 6).</li> </ul>	<p>Note that Sections I to III below are from our response that were initially provided to the State on December 18, 2020 and Sections IV to VIII were inserted in response to the State's March 3, 2021 deficiencies; they are unchanged from the initial responses. Section IX has been inserted in response to the State's most recent June 15, 2021 deficiencies.</p> <p><b><u>Initial POC Response from December 18, 2020 as required by State findings issued to EmblemHealth on November 25, 2020:</u></b></p> <p>EmblemHealth acknowledges the State's findings related to deficiencies in its Phase I and II workbooks as submitted to the OMH. In light of those deficiencies, EmblemHealth is confident that the data that was provided did not fully represent our ongoing mental health parity monitoring and compliance.</p> <p>Although the State was clear in its instructions that workbooks should not be resubmitted in response to this Statement of Deficiency, EmblemHealth can assure the State that it has reviewed and updated those documents and is prepared to produce them upon request.</p> <p>EmblemHealth's Plan of Correction to address the stated deficiencies is centered around the creation of a formal executive-level Mental Health Parity Committee (the "Parity Committee") that will provide enhanced cross-functional direction and oversight that best assures our compliance with mental health parity requirements.</p> <p><b><u>I. Plan of Correction:</u></b> EmblemHealth will formalize and assemble the Parity Committee (chaired by Neil Meyerkopf, Senior Director of Behavioral Health) that includes internal subject matter experts and representatives from our behavioral health</p>
MCO Representative's Signature <i>Debra M. Lightner</i>	Date: 06/29/2021
Title: Debra Lightner, Chief Compliance Officer	

EmblemHealth failed to provide applicable information and substantive comparative analyses for Steps 2 through 5 for inpatient and outpatient concurrent review. EmblemHealth also failed to provide a submission (Steps 1 through 6) for prescription drugs concurrent review.

Additionally, the MCO failed to provide substantive comparative analyses for (Step 4) as written comparability and equivalent stringency and (Step 5) in operation comparability and equivalent stringency for medical necessity criteria for inpatient, outpatient and prescription drugs.

- Specifically, in Phase II, EmblemHealth failed to provide applicable mental health and substance use disorder information and substantive comparative analyses that would allow for a comprehensive examination of (Step 3) evidentiary standards comparability and equivalent stringency, (Step 4) as written comparability and equivalent stringency, and (Step 5) in operation comparability and equivalent stringency for inpatient, outpatient and prescription drug coding edits. Additionally, EmblemHealth reported inconsistent rate setting practices and failed to define factors in (Step 3) evidentiary standards comparability and equivalent stringency and provide substantive comparative analyses for (Step 3) evidentiary standards, (Step 4) as written comparability and equivalent stringency, and (Step 5) in operation comparability and equivalent stringency for inpatient, outpatient, and emergency care reimbursement.

delegates from the following functional business areas:

1. Actuarial
2. Behavioral Health Care Management
3. Claims Processing
4. Compliance/Legal
5. Vendor Management
6. Medical Care Management
7. Pharmacy
8. Provider Network Management
9. Provider File Operations

**II. Parity Committee Processes:**

EmblemHealth's Parity Committee members will enhance existing policies and procedures, provide cross-functional updates, and executive reporting that, among other things, address the State's findings and oversees remediation of the identified deficiencies.

**1. Phase 1 Deficiencies, Parity Committee shall:**

- a) Address deficiencies in Steps 3 to 5 for inpatient and outpatient prior authorization.
- b) Address deficiencies in Steps 1 to 6 for prescription drug prior authorization, including a response to the deficiency attributable to lack of submission (Steps 1 to 6) for prescription drugs concurrent review.
- c) Address deficiencies in Steps 2 to 5 for inpatient and outpatient concurrent review.
- d) Address deficiencies in Steps 4 and 5 for medical necessity criteria for inpatient, outpatient and prescription drugs.
- e) Parity Committee activities shall include, but not be limited to:
  - i. Developing and implementing methodologies for the identification, testing and comparative analysis of all non-quantitative treatment limitations that are imposed on mental health or substance use disorder benefits.
  - ii. Reviewing statistically valid samples of preauthorization, concurrent, and retrospective review denials for mental health and substance use disorder benefits to ensure such determinations were consistent with the clinical review criteria approved by the State, and that such criteria have been applied comparably to and no more stringently than criteria applied to medical or surgical benefits.
  - iii. Reviewing the scope of coverage within each benefit classification for mental health and substance use disorder benefits to ensure that coverage for a comparable continuum of services is available for mental health and substance use disorder benefits as is available for medical or surgical benefits,

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<p>A revised POC should be submitted to this office and to <a href="mailto:omh.parity@omh.ny.gov">omh.parity@omh.ny.gov</a> within 10 business days of receipt of this communication (3/03/2021). The remediation must include written commitment that Phase I and Phase II 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). Additionally, if any comparative analyses identify parity violations, the MCO must keep record of those violations and produce evidence of the actions taken to remediate upon the State's request. While the State is not collecting any workbooks as part of the POC submission, we may request to review updated, completed Phase I and Phase II workbooks at any time. The State and Milliman, Inc. will accommodate requests for technical assistance once the MCO's POC has been accepted.</p>	<p>including residential and outpatient rehabilitation services.</p> <p>2. <b>Phase 2 Deficiencies, Parity Committee shall:</b></p> <ul style="list-style-type: none"> <li>a) Address deficiencies in providing applicable mental health and substance use disorder information and substantive comparative analyses for Steps 3 and 4 for inpatient, outpatient and prescription drug coding edits.</li> <li>b) Address deficiencies in Steps 3 and 4 for inpatient, outpatient, and emergency care reimbursement.</li> <li>c) Address deficiencies in operation comparability and equivalent stringency for Step 5 for both: <ul style="list-style-type: none"> <li>i. inpatient, outpatient and prescription drug coding edits and,</li> <li>ii. inpatient, outpatient, and emergency care reimbursement</li> </ul> </li> <li>d) Parity Committee activities shall include, but not be limited to: <ul style="list-style-type: none"> <li>i. Reviewing the average length of time to negotiate provider agreements and negotiated reimbursement rates with network providers and methods for the determination of usual, customary and reasonable charges, to ensure that reimbursement rates for mental health and substance use disorder benefits are established using standards that are comparable to and applied no more stringently than the standards used for medical or surgical benefits and to ensure availability of an adequate network of mental health and substance use disorder providers to provide services on an in-network basis.</li> <li>ii. Reviewing EmblemHealth and delegate policies for the automatic or systematic lowering, non-payment, or application of particular coding for mental health and substance use disorder benefits to ensure that they are comparable to and applied no more than stringently than policies for the automatic or systematic lowering, non-payment, or application of a particular coding for medical or surgical benefits.</li> </ul> </li> </ul> <p>3. The Parity Committee shall report out to EmblemHealth senior leadership on at least a quarterly basis.</p> <p><b>III. Timetable:</b></p> <ul style="list-style-type: none"> <li>1. By January 31, 2021 – the Parity Committee will be operational.</li> <li>2. By the week of February 15, 2021 – EmblemHealth to meet with representatives of the State/Milliman on its remediation progress and obtain feedback. The feedback from the State/Milliman will be brought back to the Parity Committee for appropriate action.</li> </ul>
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**March 3, 2021 State Feedback to December 18, 2020  
MCO Plan of Correction:**

The information below provides the rationale for the unacceptable determination:

- **10 CRR-NY 98.1.16 - The POC is unacceptable.**

The Medicaid Managed Care Organization (MCO) failed to provide a plan to educate non-executive level staff if any changes are necessary to address potential noncompliant comparative analyses. The MCO failed to provide a date certain when all the EmblemHealth Parity Committee corrective actions for Phase I and Phase II deficiencies will be implemented. The MCO failed to provide a plan for ongoing monitoring that ensures corrections are adequately executed and maintained; specifically, how the EmblemHealth Parity Committee will monitor parity compliance on an ongoing basis. Additionally, the MCO failed to provide a plan to educate/train staff of any necessary changes to address potential noncompliance.

- **Medicaid Managed Care Model Contract 35.1 Contractor and SDOH Compliance with Applicable Laws - The POC is unacceptable.**

The MCO failed to provide a plan to educate non-executive level staff if any changes are necessary to address potential noncompliant comparative analyses. Additionally, the MCO failed to provide a date certain when all EmblemHealth Parity Committee corrective actions for Phase I and Phase II deficiencies will be implemented. The MCO failed to provide a plan for ongoing monitoring that ensures corrections are adequately executed and maintained; specifically, how the EmblemHealth Parity Committee will monitor parity compliance on an ongoing basis. Additionally, the MCO failed to provide a plan to educate/train staff of any necessary changes to address potential noncompliance.

A revised POC should be submitted to this office and to [omh.parity@omh.ny.gov](mailto:omh.parity@omh.ny.gov) within 10 business days of receipt of this communication (3/03/2021). The remediation must include written commitment that Phase I and Phase II 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). Additionally, if any comparative analyses identify parity violations, the MCO must keep record

3. By April 30, 2021 – Parity Committee will issue its findings and recommendations. Beyond this date, to the extent necessary, the Parity Committee will remain in place to support mental health parity compliance across EmblemHealth.

**Amendments to December 18, 2020 POC as required by State findings issued to EmblemHealth on March 3, 2021:**

The response below is with respect to both deficiencies noted by the State, i.e. 10 CRR-NY 98.1.16 and Medicaid Managed Care Model Contract 35.1.

**IV. Training Plan:**

1. The Committee shall develop training that address the following topics:
  - a) What is the Mental Health Parity and Addiction Equity Act (MHPAEA);
  - b) Quantitative Treatment Limitations (QTLs);
  - c) What are Nonquantitative Treatment Limitations (NQTLs);
  - d) EmblemHealth’s Parity Committee structure and responsibilities;
  - e) Instances of and the process to address noncompliant comparative analyses; and
  - f) The role of employees in complying with Mental Health Parity regulations including how they can report potential areas of noncompliance.
2. Trainings will be conducted with all executive and non-executive level staff in the following areas:
  - a) Actuarial,
  - b) Behavioral Health Oversight (clinical and nonclinical),
  - c) Medical Management (clinical and nonclinical),
  - d) Vendor Management,
  - e) Claims Processing,
  - f) Compliance/Legal,
  - g) Pharmacy,
  - h) Provider Network Management and,
  - i) Provider File Operations.
3. The initial training module will be completed by June 15, 2021.
4. Mental Health Parity training will be an annual requirement for impacted staff, or as otherwise necessitated by regulatory changes.
5. The EmblemHealth Parity Committee will deliver training

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of those violations and produce evidence of the actions taken to remediate upon the State's request. While the State is not collecting any workbooks as part of the POC submission, we may request to review updated, completed Phase I and Phase II workbooks at any time. The State and Milliman, Inc. will accommodate requests for technical assistance once the MCO's POC has been accepted.

updates as a standing meeting agenda item and will capture those reports in the meeting minutes.

**V. Monitoring and Oversight Plan:**

1. The Parity Committee will conduct monitoring and oversight of the Plan's compliance with the implementation of this plan of correction and with parity requirements as follows:
  - a) The Committee will request and review monthly reports monitoring Parity compliance. Standing monthly reports will include Behavioral Health and Medical/Surgical utilization reports by review type and place of service claims analysis, any material changes to provider reimbursement schedules, benefit designs and other factors affecting parity compliance.
  - b) Monthly status updates on the plan of correction and the commitments, acknowledgments and timetable therein, shall be a standing agenda item of the Committee and shall be included in the minutes. Any potential areas of noncompliance will be included in this agenda item and minutes including discussion and documentation of what steps, timelines and accountable parties are identified to remediate areas of noncompliance.
  - c) The Chair of the Committee, or their proxy shall provide updates on this Plan of Correction to the Plan's Behavioral Health Quality and Advisory Committee and these reports shall be reviewed at the Quality Improvement Committee (QIC). The Chair of the Committee shall be responsible to report areas of noncompliance and resolution of such to executive leadership at these committees.
  - d) The Committee shall maintain a monthly schedule of meetings until such time when the Plan can demonstrate consistent compliance, at which time the Committee shall move to a quarterly cadence of meetings.

**VI. Implementation Date and Amended Timetable:**

1. The first meeting of the Parity Committee was held on January 12, 2021; a subsequent meeting was held on January 29, 2021.
2. Within one month of the State's approval of this Amended POC EmblemHealth will contact the State/Milliman for parity feedback. EmblemHealth previously attempted to meet with representatives of the State/Milliman on its remediation progress. The State advised the Plan on February 12, 2021 that a meeting with the State/Milliman could not occur until after the POC was approved.
3. EmblemHealth will complete the implementation of all stated corrective actions no later than six (6) months after State approval of this POC.

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Date: 06/29/2021

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**June 15, 2021 State Feedback to March 17, 2021  
MCO Plan of Correction:**

The information below provides the rationale for the unacceptable determination:

- **10 CRR-NY 98.1.16 – The POC is unacceptable.**

The Medicaid Managed Care Organization (MCO) failed to provide an exact date certain (month, day, year) when all the EmblemHealth Parity Committee corrective actions for Phase I and Phase II deficiencies will be implemented.

- **Medicaid Managed Care Model Contract 35.1 Contractor and SDOH Compliance with Applicable Laws – The POC is unacceptable.**

The MCO failed to provide a revised POC on the original Statement of Findings (SOF). The POC must contain the required five components; the review of the noncompliance, including methods to revise and remediate, a plan, with milestones, to monitor the implementation of the POC and for ongoing monitoring that ensures corrections are adequately executed and maintained, responsible parties, a plan to educate/train staff of any necessary changes to address all potential noncompliance, and an exact date certain (month, day, year) for the implementation of the formal POC.

A revised POC should be submitted to this office and to [omh.parity@omh.ny.gov](mailto:omh.parity@omh.ny.gov) within 10 business days of receipt of this communication. The remediation must include written commitment that Phase I and Phase II 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) and identify the lines of business the POC applies to. Additionally, if any comparative analyses identify parity violations, the MCO must keep record of those violations and produce evidence of the actions taken to remediate upon the State’s request. While the State is not accepting or collecting workbooks or workbook text as part of the POC submission, we may request to review updated, completed Phase I and Phase II workbooks at any time. The State and Milliman, Inc. will accommodate requests for technical assistance once the MCO’s POC has been accepted.

4. To the extent that feedback from the State and/or Milliman requires more significant program changes, EmblemHealth will contact the State to discuss amendment(s) of its POC timetable and implementation date of corrective actions. (Sec. VI.3 and the POC Timetable (Sec. III 1 – 3, above).

**VII. Commitments and Acknowledgments:**

1. EmblemHealth commits to reviewing, updating as necessary and maintaining Phase I and Phase II workbooks with required information and substantive comparative analyses demonstrating compliance.
2. EmblemHealth acknowledges that Phase 1 and Phase 2 workbooks will be available upon the State’s request.

**VIII. Additional Amendments to POC:**

1. Section I – Plan of Correction: Change in Chair of Parity Committee to Neil Meyerkopf, Senior Director of Behavioral Health.
2. Section I.4: Change in functional business area involvement to “Compliance/Legal”.
3. Section I.5: Change in functional business area involvement to “Vendor Management”.
4. Section I.8: Change in functional business area involvement to “Provider Network Management”.
5. Section I.9: Added functional business area involvement to include “Provider File Operations”.

**Amendments to March 17, 2021 POC as required by State findings issued to EmblemHealth on June 15, 2021:**

**IX. June 29, 2021 Amendments to POC:**

1. Section VI.3 of the “Implementation Date and Amended Timetable” is removed and replaced with the following amendment: “EmblemHealth will complete the implementation of Parity Committee corrective actions for Phase I and Phase II deficiencies by December 31, 2021.”
2. Update to Section IV.3 of the “Training Plan”: EmblemHealth conducted its first training module on June 15, 2021 and conducted a second module on June 16, 2021.
3. EmblemHealth reaffirms its commitments and acknowledgments made in Section VII above.

MCO Representative's Signature *Debra M. Lightner*

Date: 06/29/2021

Title: Debra Lightner, Chief Compliance Officer