

Implementing a Modern Parity Compliance Program

Health plan sponsors and insurers face myriad difficulties in ensuring that their health plans comply with the requirements of the Mental Health Parity and Addiction Equity Act (MHPAEA) and related state parity laws. Moreover, mental health and substance use disorder parity regulations are some of the most complex and sweeping ever imposed on the health insurance and managed care industry. In implementing a modern parity compliance program, health plans and insurers need to determine whether they have the processes and documentation in place to manage behavioral health benefits efficiently while minimizing risks and maximizing market opportunities.

How EBG Advisors Can Help

EBG Advisors helps plans and issuers design and implement an effective enterprise-wide parity compliance program. Our approach is rooted in an understanding that an effective parity compliance strategy starts with an assessment of the current oversight and governance infrastructure and leads to the development of an ongoing, self-implementing compliance program that can flexibly adapt to accommodate clinical and business innovations and evolving regulatory enforcement priorities. EBG Advisors supports clients to develop a comprehensive parity compliance program with an eye to:

- Ensuring demonstrable regulatory compliance
- Efficiently responding to market conduct exams, audits, and litigation
- Developing market leadership and achieving operational excellence

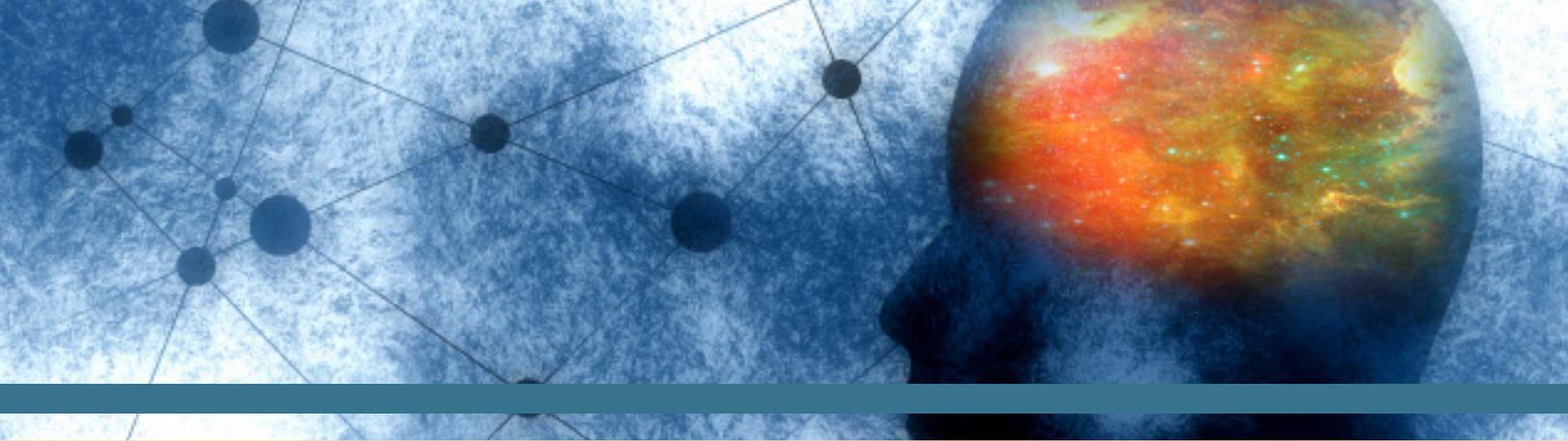
EBG Advisors' Parity Implementation Program offers end-to-end support to help improve speed to market, lower risk, reduce product development and compliance costs, and improve overall care management effectiveness. The team at EBG Advisors includes attorneys who have played leadership roles in federal parity policy, former executives for health plans and third-party administrators, and clinicians and pharmacists who have held leadership roles in plan operations and clinical benefit management.

Implementing an effective parity compliance program is a complex multistep process. EBG Advisors, utilizing its mix of legal, regulatory, and business acumen, works with clients to:

- Assess current compliance documentation, analyses, and identified risks
- Review existing organizational capacities and processes for parity compliance and oversight
- Undertake compliance testing and analysis for key domains
- Design and prioritize a remediation plan for identified risk points
- Implement an enterprise-wide strategy for ongoing parity compliance

The ClearHealth Quality Institute (CHQI) ParityManager™ Tool and Accreditation Program

EBG Advisors offers support for implementation of CHQI's ParityManager and for achieving CHQI Mental Health Parity Accreditation. ParityManager is the only comprehensive digital resource designed for health plans and other organizations to build, implement, and manage a parity compliance program that meets key regulatory and accreditation requirements. The Parity Accreditation Program provides clearly defined standards and an independent assessment of an organization's ability to comply with MHPAEA. CHQI offers discounts on ParityManager and the Parity Accreditation Program to EBG Advisors' clients.



The Unique Challenges of Compliance with Mental Health Parity

Increased Complexity:

Compliance requires a complex analysis of the interaction of an expansive range of plan policies and operations; even identifying the scope of application is a highly fact-specific task that varies by plan and product. Moreover, a sprawling array of federal sub-regulatory guidance has been issued, steadily enhancing the specificity and enforceability of the parity rules and the extent of documentation required.

Intensified Oversight and Enforcement:

- The U.S. Department of Labor has been increasing the numbers of mental health and substance abuse investigations and enforcement actions.
- The first round of oversight by the Centers for Medicare & Medicaid Services is still underway; unpredictability of expectations and enforcement remains.
- State departments of insurance have weighed in with market conduct exams and pre-market reviews, while governors have weighed in with executive orders.
- A growing number of states are passing model parity statutes that impose intensive new requirements for detailed reporting on parity compliance.
- Differences between federal and state laws, evolving federal and state guidance, and changing enforcement mechanisms and priorities mean that the conclusions of a prior audit or inspection do not insulate against further regulatory action.

Increased Litigation Activity:

Attorneys general in several states have been aggressive in filing enforcement suits. Additionally, spurred by the plaintiffs' bar, a growing number of consumer class-action suits have been certified and/or settled under the Employee Retirement Income Security Act (ERISA) alleging a wide variety of disparities, including improper quantitative visit limits, disparate application of utilization management practices, and impermissible exclusions and limits on various forms of behavioral health treatment. Providers have also brought successful suits alleging improper prior authorization or concurrent review for mental health claims but not for routine medical claims in the same classification. With new complaints being filed on an almost daily basis, litigation risk is expected to continue to grow.

