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Mental Health Parity and Addiction Equity

Comparative Analysis Proposal

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Compliance Requirements

In December of 2020 Congress passed into law the Consolidated Appropriations Act. This Bill addresses how the DOL, HHS and IRS will assess how well employer plan sponsors and Health Insurance Carriers are keeping up with the compliance requirements under the Mental Health Parity and Addiction Equity Act (MHPAEA).

Plan sponsors must now complete extensive analysis regarding the broad plan limits, Quantitative Treatment Limitations (QTLs) and Non-Quantitative Treatment Limitations (NQTLs) of their plans. Part of the compliance requirements are that each plan sponsor complete a detailed analysis of their plan, both written and in operation. This comparative analysis requires plan sponsors to "show your work" in a very detailed fashion.

The analysis must be performed on all vendors offering services under your plan, **not just your TPA**. For example this would include your TPA, PBM, networks, utilization review vendors and any other vendor who potentially could play a role in treatment limitations for mental health and substance use disorder benefits. **This analysis must be made available to plan members upon request and the DOL starting February 10th, 2021.**

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Understanding Comparative Analysis

Analysis includes 3 broad areas of documentation

Broad Plan Treatment Value Limitations

This item is mainly about documentation and not likely much of a challenge since the enactment of ACA restrictions on annual and lifetime limits.

Quantitative Treatment Limitations (QTLs)

Plans cannot impose a financial requirement on mental health/substance use disorder benefits that are more restrictive than those on medical/surgical benefits.

Non-Quantitative Treatment Limitations (NQTLs)

NQTLs are processes, strategies, standards, or other criteria that limit the scope or duration of benefits for services provided under the plan.

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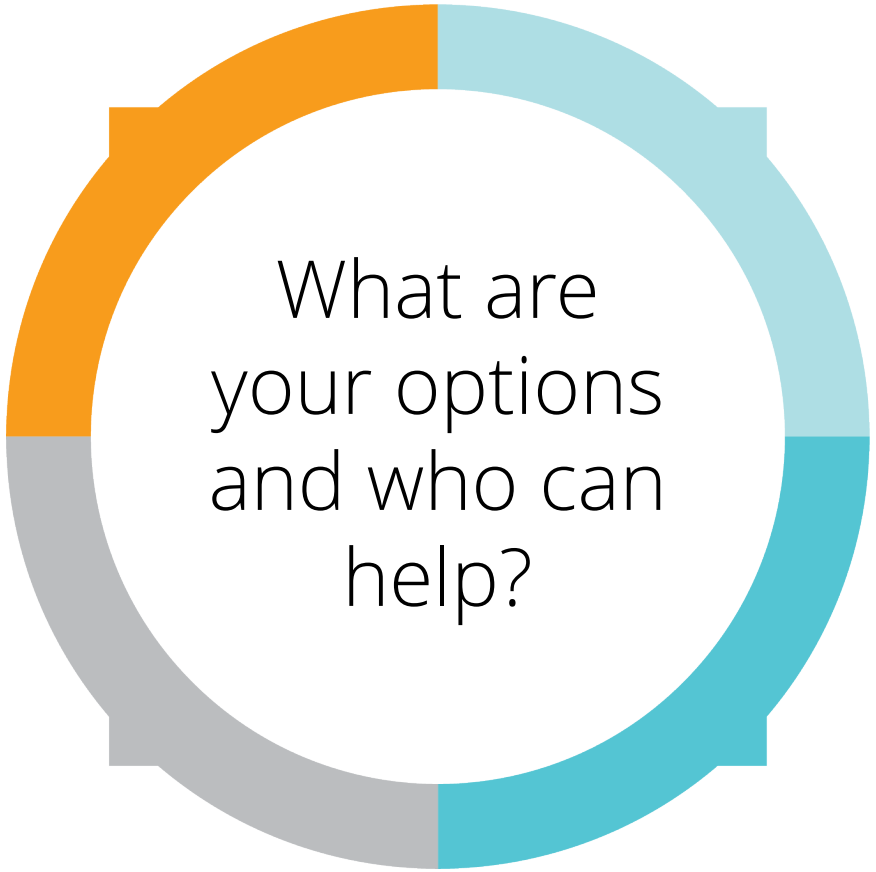
Plan Sponsors must maintain an up-to-date Comparative Analysis

Your TPA

Unfortunately this analysis must be performed on all of your plan vendors (TPA, PBM, formulary, carve-out programs, care management, etc.).

Your Broker

This analysis is complex and requires ongoing updates. Your broker has an important role to play, but they are not really a viable option for completing the analysis on your behalf.



DIY

Not many will opt for this alternative because it is a lot of complex work, but you could do it yourself. The DOL and HHS have created a comprehensive self-compliance guide. Check it out here.

Hire a Vendor

This is not our first rodeo either, we began offering compliance services in 2015 with another company we own called ACAReportingService.com
We also have self insured plan expertise, SelfInsuredReporting.com

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Comparative Analysis Service Pricing

Partner Pricing – $4,999 per year

- Comparative analysis is required to maintain ongoing compliance. This involves ongoing analysis of networks, vendors, expected claim amounts, formularies and provider reimbursements. To that end, MHPAEA compliance requires ongoing work.
- We do however expect renewal rates to be less expensive than first year rates.
- For up to 3 plans. If you have more than 3 plans, it is $750 for each additional plan.
- If an employer has fewer than 100 employees, there is a $1,000 discount, making the standard price $3,999.

Service Details

- Access to our proprietary discovery session designed to collect all necessary information required to create your comparative analysis
- Entering into a Business Associate Agreement (BAA) thus allowing our team to collect and review medical and pharmacy claims as needed
- Review of plan information, plan financials, administrative service agreements and plan documents
- Standard pricing assumes analysis of one third party administrator (TPA) arrangement, one pharmacy benefit manager (PBM) arrangement, one medical plan network, one medical management and utilization review vendor and up to three different medical plans. If the Client organization has more vendors than this, they can be added to your standard package for an additional fee
- Delivery of .pdf version of your plan comparative analysis to meet the “show your work” requirements
- Comparative analysis will include full analysis of broad plan limits
- Comparative analysis will include analysis of quantified treatment limitations (QTLs), including applying the substantially all and predominant tests to the necessary classifications and sub-classification of expected, future plan claims
- Comparative analysis will include analysis of non-quantified treatment limitations (NQTLs), including but not limited to a review of medical management standards, exclusions for medical necessity, standards for categorizing care as experimental, prior authorization, concurrent review, network tier decision criteria, standards for network participation, formulary design, comparative provider reimbursement rates, comparative provider reimbursement rates as a percentage of Medicare, plan exclusions, plan restrictions and plan limits on duration of services.

Steps in the Process

1	2	3	4	5	6	7	8
Execute the new client service and business associate agreements.	Submit payment with your invoice.	When payment is received, we will assign your account and begin the process.	NQTL Analysis will submit compliance questionnaires to the Plan Sponsor, TPA, PBM, Networks and Medical Management Companies.	NQTL Analysis will request the Summary Plan Descriptions (SPDs) from the TPA or Plan Sponsor.	NQTL Analysis will request claim files from your TPA and PBMs to perform the Quantitative Treatment portion of the analysis.	NQTL Analysis receives in all data and performs the comparative analysis. Expect this process to take 2 weeks on average from the time all data is received.	NQTL Analysis submits the comparative analysis to the plan sponsor, identifies areas of non-compliance and makes recommendations.

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Frequently Asked Questions (FAQs)

Q: Who is ultimately responsible for plan compliance?

A: The plan sponsor is responsible for maintaining compliance.

Q: If my plan documents say I meet MHPAEA parity requirements, am I compliant?

A: Not necessarily; and in fact, we commonly find this not to be the case, to some degree or another. Additionally, stating you are compliant or relying on the statement of your vendors alone is not enough. Testing is required on an ongoing basis moving forward.

Q: If my plan offers the same copays to mental health as it does to other coverages, am I compliant?

A: Not necessarily; the regulations require an analysis of expected claims data to determine which financial requirements (such as copays) apply in each classification of benefits and the level to which they are predominant. We often find that on the face, copays may appear to be consistent but upon deeper analysis are not in parity. For example, if specialist copays are not applied in parity.

Q: What happens in the event my plan is found non-compliant?

A: Penalties would likely be imposed by the DOL, as well as possible enforcement of a requirement to notify the plan participants of noncompliance.

Q: At least one of my vendors has provided us with their standard NQTL analysis, does that meet the requirements?

A: No. Unfortunately, that is not sufficient for self-insured plans to comply with the full requirements of the CAA and DOL regulations. This is certainly an element of the information needed to prepare the comparative analysis, but each plan sponsor must prepare an individual (and individually specific) comparative analysis and maintain it on an ongoing basis. Many of these vendors include a disclaimer in the documents that they only apply to their fully insured plans or that the plan sponsor should conduct their own analysis, because the vendor cannot guarantee that they apply to specific plans.

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Monday – Friday | 9:00am – 5:00pm EST

Phone: 888-217-4769 | Email: nqtl@selfinsuredreporting.com

NQTLAnalysis.com