



Insurance Brokers &
Consultants

Mental Health Parity Comparative Analysis FAQs

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EPIC & Self-Insured Reporting

Mental Health Parity Comparative Analysis

FAQs

General Information

1. What is Mental Health Parity?

The Mental Health Parity and Addiction Equity Act of 2008, (MHPAEA) is a federal law that generally prevents group health plans and health insurance issuers that provide mental health or substance use disorder (MH/SUD) benefits from imposing less favorable benefit limitations on those benefits than on medical/surgical benefits.

2. What is the Comparative Analysis requirement?

As part of the Consolidated Appropriations Act (CAA) of 2021, signed into law in December 2020, plan sponsors must upon request, provide a comparative analysis of the health plan's compliance with mental health and substance abuse non quantitative treatment limitations (NQTLs). The comparative analysis requirement went into effect February 10, 2021, and is currently being enforced.

3. What are non-quantitative treatment limitations?

The term non-quantitative treatment limitations (NQTLs) are the processes, strategies, evidentiary standards, or other criteria that limit the scope or duration of benefits for services provided under the plan. These types of limitations are not quantifiable and therefore not related to the monetary components of the plan (deductibles, copays, dollar limits). They include, but are not limited to, items such as prior authorization requirements, step therapy protocols, licensure requirements, and provider networks.

4. When is the comparative analysis due?

The analysis is due upon request of a federal or state agency (such as the Department of Labor or IRS) or a plan participant. At this time there is no annual filing requirement or due date. Upon request, agencies are giving approximately two weeks to provide the analysis. Because of the short turn around time EPIC recommends having an analysis ready to provide if requested. The comparative analysis requirement went into effect February 10, 2021, and is currently being enforced.

5. What type of plans does this apply to?

The new NQTL analysis requirement applies to any health plan that covers mental health and substance abuse benefits including both fully insured and self-funded plans. The requirements also apply to grandfathered health plans that cover mental health and substance abuse benefits.

6. Does this apply to fully insured plans?

Yes. Upon request a fully insured plan sponsor must provide a comparative analysis.

7. Are there penalties for not completing the analysis?

Any penalties assessed depend on what the plan sponsors provides when a report is requested. If the agency's review of the provided information indicates a parity violation, the

plan will have 45 days in which to provide additional analysis or take corrective action to fix a violation. If the agency makes a final determination that the plan is still out of compliance, the plan will be required to notify all enrollees of the noncompliance within seven days of the determination. Additionally, the agencies will share findings of compliance and noncompliance with applicable state and federal officials, which may trigger additional penalties depending on violation. Further, willful disregard of a request to provide a report or reports that are late may result in penalties.

Self-Insured Reporting NQTL Solution

1. What solution does EPIC and Self-Insured Reporting offer?

EPIC and Self-Insured Reporting (SIR) have partnered to make the comparative analysis available for our clients at a cost of \$5,000 for an employer plan sponsor. The cost includes the analysis for up to three plan analyses. Additional plans' analyses will be available for \$750 each. SIR provides a fully comprehensive comparative analysis that satisfies the NQTL requirement and the quantitative treatment limitation analysis as well. While a QTL analysis is not directly required by the new CAA rules, ongoing compliance with mental health and substance abuse coverage is required for QTLs.

2. Is a service agreement and business associate agreement required?

To engage with SIR, plan sponsors must first sign a service agreement (SA) and a business associate agreement (BAA). No work will start on an analysis until the SA and BAA are executed.

3. How much does the analysis cost?

EPIC has secured special partner pricing with SIR to provide the report for \$5,000 for three plans. Additional plans will cost \$750 each. There will be a cost to complete the analysis annually for ongoing compliance.

4. Can deidentified data be used to complete the analysis?

Yes. Please let SIR know that data should be requested as deidentified.

Comparative Analysis Format and Timing

1. Is this an annual requirement?

Compliance with the comparative analysis requirement is ongoing. This means that while there is no annual reporting or filing required, plan sponsors should continue to keep an updated analysis on file. Self-Insured Reporting will update the comparative analysis annually for an additional fee.

2. Does this need to be filed with the Department of Labor?

The comparative analysis must be provided to the Department of Labor (DOL), other state or federal agency or plan participant upon request. There is no specific filing deadline or requirement although the rules are currently in effect and being enforced.

3. How long does it take to complete an analysis?

Once the service agreement and business associate agreement are executed, EPIC will complete a client intake form on the plan sponsor's behalf and data collection will start. Once SIR receives the intake form the process takes about 90 days.

Action Items

1. What do plan sponsors need to do next?

Plan sponsors do not need to wait to start the NQTL analysis process. To engage SIR your EPIC account team can send the requirement service agreement and business associate agreement and complete the required intake form. Once SIR has the necessary documents, SIR and EPIC will reach out to the carriers and vendors to start the data collection process and analysis.

EPIC Employee Benefits Compliance Services

For further information on this or any other topics, please contact your EPIC benefits consulting team.

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