

From the **CMS Parity Toolkit**

<https://www.medicaid.gov/medicaid/benefits/downloads/bhs/parity-toolkit.pdf>

2.2 Key Steps in the Parity Analysis Process

The key steps in the parity analysis process are as follows:

1. Identify All Benefit Packages to which Parity Applies

Identify all benefit packages to which parity applies (including all benefits provided to MCO enrollees, regardless of authority, and benefits in FFS ABP and separate CHIPs). A benefit package includes all benefits provided to a specific population group (e.g., children, adults, individuals with a nursing facility level of care) regardless of delivery system.

2. Determine whether the State or the MCO [Managed Care Organization] is Responsible for the Parity Analysis

For each benefit package, determine whether the state or an MCO is responsible for the parity analysis. If an MCO is responsible for the parity analysis, the state should ensure that the MCO contract includes applicable requirements for the MCO to perform the parity analysis.

3. Determine which covered benefits are MH/SUD [Mental Health/Substance Use Disorder] Benefits and which are M/S [Medical/Surgical] Benefits

Determine which covered benefits are MH/SUD benefits and which are M/S benefits (see section 3 of this Toolkit).

4. Define the four benefit classifications (inpatient, outpatient, prescription drugs, and emergency care) and determine into which benefit classification MH/SUD and M/S benefits fall (see section 4 of this Toolkit).

5. Identify and Test Each AL/ADL [Aggregate Lifetime & Annual Dollar Limits] with Parity Requirements

Identify and test each AL/ADL applied to MH/SUD benefits for compliance with applicable parity requirements (see section 5 of this Toolkit).

6. Identify and test each FR [Financial Requirement] and QTL [Quantitative Treatment Limitation]

Identify and test each FR and QTL applied to MH/SUD benefits in a classification, by benefit package, for compliance with applicable parity requirements (see section 5 of this Toolkit).

7. Identify & Test Each NQTL [Non-Quantitative Treatment Limitation]

Identify and test each NQTL applied to MH/SUD benefits in a classification, by benefit package, for compliance with applicable parity requirements (see section 6 of this Toolkit).

8. Availability of Information

Assess compliance with requirements regarding availability of information (see section 9 of this Toolkit).

9. Document & Post Findings from the Parity Analysis on the State's Website

On the state's website, document and post findings from the parity analysis, including any follow-up activities, applicable to the benefits provided to enrollees of MCOs.

[Colorado has posted a 13-page document concluding the State is in compliance with parity. Are concerns are that Colorado is not in compliance with Parity for a lot of complicated reasons]

10. Implement Any Changes Needed To:

- **The Medicaid State Plan**
- **ABP State Plan**
- **Child Health Plan**
- **MCO/PIHP/PAHP Contract**
[Managed Care Organization, Prepaid Inpatient Health Plan,
Prepaid Ambulatory Health Plan]
- **MCO/PIHP/PAHP Rates**
- **State Policies & Procedures**
- **MCO/PIHP/PAHP Policies and Procedures**

Implement any changes needed to the Medicaid state plan, ABP state plan, child health plan, MCO/PIHP/PAHP contract, MCO/PIHP/PAHP rates, state policies and

procedures, MCO/PIHP/PAHP policies and procedures, and so forth, in order to meet parity requirements by the applicable compliance date.

[This is a really important point and one Colorado State Government seems very confused about – HCPF video -- <https://youtu.be/x5AiubAV7BI>

According to HCPF:

"What the Law Does NOT Require?"

- A MCO or BHO to provide MH/SUD benefits outside the contractual Obligations.

BUT the law is CLEAR the State has a legal duty to change the State Medicaid Plan, Contractual Obligations, Etc. to Comply with Parity

We first mentioned this in April 2018 – and that misleading video is still up & we had informed the State of the problem before that.

<http://orchidadvocacy.org/vals-blog/hcpf-is-mis-stating-parity-law-on-youtube-we-have-a-big-problem-with-that-weve-got-an-even-bigger-problem-with-hcpfs-misapplication-of-parity-in-co-medicaid>

Monitoring Procedures

In addition to completing the parity analysis, the state and its contractors should implement monitoring procedures to ensure continued compliance and to identify when changes in benefit design or operations could affect compliance and require an updated analysis.