

Annual Report of Mental Health Parity

Filed with the Georgia Office of Insurance and Safety Fire Commissioner

BY

Sidecar Health Insurance Company

One Columbus, Suite 495

10 West Broad Street

Columbus, Ohio 43215

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Name, Title, Address and Telephone number of
Individuals to Whom Notices and Correspondence
Concerning this Statement Should be Addressed:

Ellis Wilder

Senior Counsel, Insurance Operations

Sidecar Health, Inc. 2381 Rosecrans Ave., Ste. 400

El Segundo, CA 90025

(877) 653-6440

ewilder@sidecarhealth.com

QUESTION 1. IS THE GROUP HEALTH INSURANCE COVERAGE EXEMPT FROM MHPAEA?

No. In 2023 Sidecar Health Insurance Company (the “**Company**”) issued large group major medical health insurance policies to large employers in Georgia. The coverage issued by the Company is **not** exempt from the Mental Health Parity and Addiction Equity Act (**MHPAEA**).

QUESTION 2. DOES THE GROUP HEALTH INSURANCE COVERAGE PROVIDE MH/SUD BENEFITS IN ADDITION TO PROVIDING MEDICAL/SURGICAL BENEFITS?

Yes. The Certificates of Coverage issued to enrollees covered under the large group policies (the “**Certificates**”) provide Mental Health and Substance Use Disorder (**MH/SUD**) benefits in addition to medical/surgical benefits.

The Certificates define Mental Health Disorder as “a behavioral, emotional, or cognitive pattern of functioning in an individual that is associated with distress, suffering, or impairment in one or more areas of life.” The Certificates define Substance Abuse as “alcohol, drug or chemical abuse, overuse, or dependency.”

The Certificates indicate “We pay benefits for services to diagnose and treat Mental Health Disorders and Substance Abuse.” The Certificates indicate autism spectrum disorders, including Asperger’s syndrome and autism, are considered mental health disorders.

QUESTION 3. DOES THE GROUP HEALTH INSURANCE COVERAGE PROVIDE MH/SUD BENEFITS IN EVERY CLASSIFICATION IN WHICH MEDICAL/SURGICAL BENEFITS ARE PROVIDED?

Yes. The Company does not utilize any provider network. Enrollees are free to seek services from any provider. The Certificates provide enrollees with Medical/surgical benefits in the following classifications:

1. Inpatient
2. Outpatient (Other)
3. Outpatient (Office Visit)

The Company defines this sub-classification as benefits to reimburse for charges for therapeutic services rendered by a provider in an outpatient office setting.

4. Emergency Care
5. Prescription Drugs

The Certificates also provide comprehensive MH/SUD benefits in each of the above classifications.

QUESTION 4. DOES THE GROUP HEALTH INSURANCE ISSUER COMPLY WITH THE MENTAL HEALTH PARITY REQUIREMENTS REGARDING LIFETIME AND ANNUAL DOLLAR LIMITS ON MH/SUD BENEFITS?

Yes. The Certificates do **not** include any lifetime and annual dollar limits on benefits for services (including prescription drugs) designed to diagnose or treat MH/SUD disorders.

QUESTION 5. DOES THE GROUP HEALTH INSURANCE ISSUER COMPLY WITH THE MENTAL HEALTH PARITY REQUIREMENTS REGARDING FINANCIAL REQUIREMENTS OR QTLS ON MH/SUD BENEFITS?

Yes. The Certificates comply with the mental health parity requirements regarding financial requirements or Quantitative Treatment Limitations (**QTLs**) on MH/SUD benefits. Coverage under the Certificates has a single deductible equal to the maximum out-of-pocket (**MOOP**). There is no separate deductible or MOOP for MH/SUD Benefits. Any allowed out-of-pocket expense incurred by an enrollee for a covered service subject to deductible in any benefit classification will accumulate to the deductible and MOOP, regardless of whether the expense is for MH/SUD or medical / surgical services.

The Company has two plan designs available in the large group market. The first is an HSA compliant high deductible health plan ("HDHP Plan"). In the HDHP Plan, all services other than preventive services are subject to deductible. The second is a first-dollar coverage plan ("First Dollar Plan"). Under the First Dollar Plan, there is no cost-sharing or deductible for certain outpatient services and prescription drugs.

❖ **Inpatient**

100% of the medical/surgical and MH/SUD benefits in the Inpatient benefit classification are subject to the deductible.

❖ **Outpatient (Office Visit)**

100% of the medical/surgical and MH/SUD benefits in the Outpatient (Office Visit) benefit classification are subject to the deductible.

❖ **Outpatient (Other)**

- *HDHP Plan*

100% of the MH/SUD benefits in the Outpatient (Other) benefit classification are subject to the deductible. In this variant, 100% of the medical/surgical benefits in this benefit classification are also subject to the deductible, excepting preventive care specified by federal law as not subject to deductible.

- First Dollar Plan

None of the MH/SUD benefits in the Outpatient (Other) benefit classification are subject to the deductible.

❖ **Emergency Care**

100% of the medical/surgical and MH/SUD benefits in the Emergency Care benefit classification are subject to the deductible.

❖ **Prescription Drug**

- *HDHP Plan*

100% of the MH/SUD benefits in the Prescription Drug benefit classification are subject to the deductible. In this variant, 100% of the medical/surgical benefits in this benefit classification are also subject to the deductible, excepting preventive care specified by federal law as not subject to deductible.

- First Dollar Plan

None of the MH/SUD benefits in the Prescription Drug benefit classification are subject to the deductible.

QUESTION 6. DOES THE GROUP HEALTH INSURANCE ISSUER COMPLY WITH THE MENTAL HEALTH PARITY REQUIREMENTS REGARDING CUMULATIVE FINANCIAL REQUIREMENTS OR CUMULATIVE QTLS FOR MH/SUD BENEFITS?

Yes. The Certificates comply with the mental health parity requirements regarding cumulative QTLs on MH/SUD benefits.

❖ **Inpatient**

The Certificates do not include any cumulative QTLs, such as annual visit limits, on any benefits for services designed to diagnose or treat MH/SUD disorders in the Inpatient benefit classification.

❖ **Outpatient (Office Visit)**

100% of the medical/surgical benefits in the Outpatient (Office Visit) benefit classification are subject to an annual visit limit QTL. The least restrictive medical/surgical QTL is 36 Visits Per Year, which applies to Cardiac Rehabilitation office visits.

A QTL applies to the following MH/SUD benefits in the Outpatient (office visit) benefit classification:

- Physical Therapy for the treatment of Autism, 48 visits/year
- Speech and Language Therapy for the treatment of Autism, 48 visits/year
- Occupational Therapy for the treatment of Autism, 48 visits/year
- Clinical Therapeutic Intervention for the treatment of Autism, 20 hours/week, with no limit on the number of visits/year.

The QTLs on MH/SUD benefits in the Outpatient (office visit) benefit classification are less restrictive than the least restrictive QTL imposed on medical/surgical benefits in the Outpatient (Office Visit) benefit classification.

❖ **Outpatient (Other)**

The Certificates do not include any cumulative QTLs, such as annual visit limits, on any benefits for services designed to diagnose or treat MH/SUD disorders in the Outpatient (Other) benefit classification.

❖ **Emergency Care**

The Certificates do not include any cumulative QTLs, such as annual visit limits, on any benefits for services designed to diagnose or treat MH/SUD disorders in the Emergency benefit classification.

❖ **Prescription Drug**

The Certificates do not include any cumulative QTLs, such as annual visit limits, on any benefits for services designed to diagnose or treat MH/SUD disorders in the Prescription Drug benefit classification.

QUESTION 7. DOES THE GROUP HEALTH INSURANCE ISSUER COMPLY WITH THE MENTAL HEALTH PARITY REQUIREMENTS REGARDING NQTLs ON MH/SUD BENEFITS?

Yes. The Certificates comply with the mental health parity requirements regarding Non-Quantitative Treatment Limitations (**NQTLs**) on MH/SUD benefits.

The Certificates do **not** require prior authorization or concurrent review as a condition for paying any benefits in any classification. The Certificates do not utilize any formulary. All FDA-approved prescription drugs are covered, without step-therapy requirements, and enrollees may fill prescriptions at any pharmacy they choose.

The Company does not utilize any provider networks and enrollees may obtain covered services from any provider they choose.

The Certificates apply only four NQTLS impacting MH/SUD benefits: **1)** Experimental or Investigational Treatments are excluded, **2)** Off-Label Uses of Prescription Drugs are excluded unless shown to be safe and effective, **3)** covered services must be medically necessary, and **4)** reimbursement for each covered service in each benefit classification is limited to an allowed amount (called the “Benefit Amount”).

1) Exclusion for Experimental or Investigational Treatments

The Certificates exclude coverage for experimental or investigational treatments. A copy of the Company’s criteria for application of this exclusion is attached as *Exhibit 1*. These same criteria are applied to MH/SUD and Medical/Surgical services without any exception or divergence. The Company’s Clinical Team of Registered Nurses, in consultation with the physician Medical Director, review claims with an allowed amount above a defined threshold for application of this exclusion. This threshold is the same for both MH/SUD and Medical/Surgical services. The Company audits MH/SUD claims denied due to this exclusion each quarter to ensure the criteria are applied to MH/SUD claims no more stringently than to medical/surgical claims. Within the past year, there were no MH/SUD claims denied due to this exclusion.

2) Exclusion for Off-Label Uses of Prescription Drugs

The Certificates do not cover drugs prescribed for off-label uses unless such drugs have been recognized as safe and effective for treatment of the indication for which they have been prescribed in at least one standard medical reference compendia or at least two articles from any peer-reviewed professional medical journal. This NQTL applies to all drugs for both MH/SUD and medical/surgical benefits. A copy of the Company’s criteria for application of this exclusion is attached as *Exhibit 2*. These same criteria are applied to MH/SUD and Medical/Surgical services without any exception or divergence. The Company’s Clinical Team of Registered Nurses, in consultation with the physician Medical Director, review claims with an allowed amount above a defined threshold for this exclusion. This threshold is the same for both MH/SUD and Medical/Surgical services. The Company audits MH/SUD claims denied due to this exclusion each quarter to ensure the criteria are applied to MH/SUD claims no more stringently than to medical/surgical claims. Within the past year, there were no MH/SUD claims denied due to this exclusion.

3) Medical Necessity

The Company has adopted the MCG Guidelines developed and published by MCG Health as the standard for medical necessity and clinical appropriateness. All medical necessity reviews are performed by licensed clinicians at a licensed review agent. The Company’s Clinical Team of Registered Nurses, in consultation with the physician Medical Director, review claims with an allowed amount above a defined threshold and determine whether to refer such claims to the review agent. This threshold is the same for both MH/SUD and Medical/Surgical services. The Company audits MH/SUD claims referred to the review

agent each quarter, whether they are ultimately denied or not, to ensure the process for referring claims to the review agent is applied no more stringently for MH/SUD claims than to medical/surgical claims. Within the past year, there were no MH/SUD claims referred to the Company's review agent.

4) Reimbursement Amounts

As the Company does not have any provider network, the coverage provided by the Company reimburses enrollees an allowed amount (called the "Benefit Amount") for each covered MH/SUD or medical /surgical service in each benefit classification. Enrollees pay for care at the point of service and submit an itemized invoice to the Company for reimbursement. Members are responsible for charges that exceed the Benefit Amount.

➤ Inpatient; Outpatient (Office Visit; Outpatient (Other); and Emergency Classifications

The Company's actuaries use commercially available data and the Company's own claims experience to derive Benefit Amounts for services in the above benefit classifications. The data sources are the same for MH/SUD and medical/surgical services. The Company applies the same credibility and trend factors for MH/SUD and Medical/Surgical services to derive a Benefit Amount for each covered service equivalent to what the average provider is expected to accept as cash payment in full for such service in each rating region.

➤ Prescription Drug Classification

The Company does not utilize a formulary. The Company utilizes commercially available pharmacy data regarding major chain and specialist pharmacy retail drug pricing to set Benefit Amounts for prescription drugs. The same data sets are used to develop Benefit Amounts for MH/SUD drugs as medical/surgical drugs.

QUESTION 8. DOES THE GROUP HEALTH PLAN OR GROUP OR INDIVIDUAL HEALTH INSURANCE ISSUER COMPLY WITH THE MHPAEA DISCLOSURE REQUIREMENTS?

Yes. The Company complies with the MHPAEA disclosure requirements. The Company has policies and procedures in place to make available the criteria for any medical necessity determination—including with respect to MH/SUD benefits—to any current or potential participant, beneficiary, enrollee within thirty days of the request.

Enrollees who have received adverse determinations related to any claim for medical / surgical or MH/SUD benefits may request and receive, free of charge, access to and copies of all documents, records, and other information relevant to their claim for benefits, including any relevant medical necessity criteria and notes from the clinical reviewer. The requested information is delivered to the member through their secure member portal within 30 days of the request.

Enrollees are entitled to a full and fair review of any adverse determination upon appeal and may request external review in accordance with applicable state and federal law.

SIDECAR HEALTH INSURANCE COMPANY

By: Monica Auciello, General Counsel, Secretary, and
Chief Compliance and Risk Officer

Attest:


DocuSigned by:

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(Signature of Officer)

Exhibit 1

Criteria For Application of Experimental or Investigational Treatment Exclusion

General Utilization Review Criteria.

A treatment, drug, device, procedure, supply or service (or any portion thereof, including the form, administration or dosage) is considered Experimental or Investigational for a particular diagnosis or condition, and therefore not medically necessary, if **both** of the following are true:

(A): The treatment, drug, device, procedure, supply or service is not indicated to be generally accepted medical practice throughout the United States, by reference to consultation with Physicians, authoritative medical compendia, the American Medical Association, or other pertinent professional organization or governmental agency; **and**

(B): None of the following peer-reviewed English-language medical journals have published the results of controlled clinical trials showing the administration of the treatment, drug, device, procedure, supply or service to be of greater safety and efficacy than conventional treatment, in both the short and long term:

- | | |
|--|---|
| i. American Journal of Medicine | x. British Medical Journal |
| ii. Annals of Internal Medicine | xi. Cancer |
| iii. Journal of the American Medical Association | xii. Drugs |
| iv. Journal of Clinical Oncology | xiii. European Journal of Cancer |
| v. Blood | xiv. Lancet |
| vi. Journal of the National Cancer Institute | xv. Leukemia |
| vii. New England Journal of Medicine | xvi. Other major peer-reviewed professional medical journals meeting the uniform requirements for manuscripts submitted to biomedical journals established by the international committee of medical journal editors. |
| viii. British Journal of Cancer | |
| ix. British Journal of Hematology | |

Exhibit 2

Criteria For Application of Off-Label Use of Prescription Drug Exclusion



Utilization Review Criteria for Off-label use of a drug to treat a covered condition.

To be a medically necessary, either (A) or (B) must apply:

- (A)** The drug has been recognized as safe and effective for treatment of the indication for which it has been prescribed in one or more of the following standard medical reference compendia:

Compendium	Criteria to establish medical necessity
American Hospital Formulary Service-Drug Information (AHFS-DI)	The evidence level for the indication is Level 1 or 2
National Comprehensive Cancer Network (NCCN) Drugs and Biologics Compendium	The indication is Class I, Class IIA, or Class IIB
Micromedex DrugDex	The indication is Class I, Class IIA, or Class IIB
Clinical Pharmacology	The narrative text is supportive for indicated use
Lexi-Drugs	The indication is listed as "Use: Off-Label" and rated as "Evidence Level A"

- **OR**

- (B)** Both of the following:

- (1) The drug has been recognized, based on scientific or medical criteria, as safe and effective for the indication prescribed in at least two articles from any of the following journals:
 - i. American Journal of Medicine
 - ii. Annals of Internal Medicine
 - iii. Journal of the American Medical Association
 - iv. Journal of Clinical Oncology
 - v. Blood
 - vi. Journal of the National Cancer Institute
 - vii. New England Journal of Medicine
 - viii. British Journal of Cancer
 - ix. British Journal of Hematology
 - x. British Medical Journal
 - xi. Cancer
 - xii. Drugs
 - xiii. European Journal of Cancer
 - xiv. Lancet
 - xv. Leukemia
 - xvi. Other major peer-reviewed professional medical journals meeting the uniform requirements for manuscripts submitted to biomedical journals established by the international committee of medical journal editors.
- (2) No article from any of the above journals has concluded the drug is unsafe, or ineffective, or the drug's safety and effectiveness cannot be determined for the treatment of the prescribed indication based on scientific or medical criteria.