NQTL: Provider Reimbursement (SHIP)

Classification(s): Inpatient OON, Outpatient Office OON & Outpatient All Other OON, and Emergency

Step 1 – Identify the specific plan or coverage terms or other relevant terms regarding the NQTL and a description of all mental health or substance use disorder and medical or surgical benefits to which each such term applies in each respective benefits classification

Provide a clear description of the specific NQTL, plan terms, and policies at issue:

Wellfleet Insurance Company ("Wellfleet") utilizes Advanced Medical Pricing Solutions ("AMPS") to determine out of network rates for True Choice Plans.

Plan Documents:

Member plan documents include a description of the reimbursement methodology for out of network providers. For instance:

> Treatment of Covered Injury and Covered Sickness Benefit If: 1. You incur expenses as the result of Covered Injury or Covered Sickness, then 2. We will pay the benefits stated in the Schedule of Benefits for the services, Treatments, and supplies described in the Covered Medical Expenses provision below. Payment will be made, subject to the Coinsurance, Deductible, Copayment, maximums, and limits as stated in the Schedule of Benefits: 1. For the Maximum Allowance for Covered Medical Expenses that are incurred as the result of a Covered Injury or Covered Sickness; and 2. Subject to the Exclusions and Limitations provision
> Maximum Allowance is the maximum amount payable for a Covered Medical Expense. You are responsible for all amounts above what is considered the Maximum Allowance, as well as Your Deductible, Copayments and Coinsurance pursuant to the terms of this Certificate. The Maximum Allowance for Inpatient and Outpatient Facility (Hospital/Ambulatory Surgical Centers) Covered Medical Expenses will be based upon the average of [100% -300%] of the Medicare allowable amount for the Covered Medical Expense and [100% -300%] of the cost of the Covered Medical Expense; provided, however, that any such Maximum Allowance based on the cost shall be limited to an amount not to exceed [100% -300%] of the Medicare allowable amount or the Usual, Customary, and Reasonable amount for the Covered Medical Expense. The Maximum Allowance for the Treatment, service, and/or supply of Covered Medical Services other than Inpatient and Outpatient Facility Covered Medical Expenses will be paid as follows: • Professional services - [80% -300%] of the Medicare allowable amount • Specialist services - [80% -300%] of the Medicare allowable amount • Diagnostic, Labs, Testing, and Imaging services - [80% -300%] of the Medicare allowable amount • Immunizations/Vaccines, Durable Medical Equipment- [80% -300%] of the Medicare allowable amount If a Medicare Allowable Amount does not exist for the Treatment, service, and/or supply, We will determine the Maximum Allowance based on the Usual, Customary, and Reasonable amount for the Covered Medical Expense. In the event the Maximum Allowance exceeds the Actual Charge(s), We will pay the Actual Charge(s). If a negotiated rate exists, the Maximum Allowance will be the negotiated rate.

Plan documents are available on Wellfleetstudent.com.

Identify the M/S benefit classifications for which the NQTL applies:	***Identify the MH/SUD benefit classifications for which the NQTL applies:***
The NQTL applies to the following classifications and sub-classifications: Inpatient OON, Outpatient Office OON & Outpatient All Other OON, and Emergency.	The NQTL applies to the following classifications and sub-classifications: Inpatient OON, Outpatient Office OON & Outpatient All Other OON, and Emergency.
Step 2 – Identify the factors used to determine that the NQTL will apply to M/S or MH/SUD benefits	
Medical/Surgical: **Factor**: Maximum Allowance **Factors Considered but rejected:** There are no rejected factors. **Weight of Factors:** Each factor holds the same weight. There is no Artificial Intelligence ("AI") application utilized for the NQTL design.	**MH/SUD**: **Factor**: Maximum Allowance **Factors Considered but rejected:** There are no rejected factors. **Weight of Factors:** Each factor holds the same weight. There is no AI application utilized for the NQTL design.
Step 3 – Identify the evidentiary standards used for the factors identified in Step 2, when applicable, provided that every factor shall be defined, and any other source or evidence relied upon to design and apply Quantity Limits to mental health or substance use disorder benefits and medical or surgical benefits.	
Medical/Surgical: **Factor: Maximum Allowance** **Source:** Medicare Fee Schedule **Evidentiary Standard**: The Maximum Allowance is based on a percentile of charges made by physicians and facilities in a given geographical area where the service is received. These charges are based on a percentage of Medicare fee schedule as set forth in the member plan documents. Plan sponsors select a percentile between 80%-300%. **Source for the Factor**: External pricing partner 'offer' based on Medicare Fee Schedule **Source:** Billed Charges **Evidentiary Standard:** If a Medicare rate is not available, AMPS will apply a percentage of billed charges. **Source for the Factor**: External pricing partner 'offer' based on billed charges.	**MH/SUD**: Same as M/S

<table>
<tr><td colspan="2">Step 4(a): Provide the comparative analyses performed and relied upon to determine whether each NQTL is comparable to and no more stringently designed and applied, <u>as written:</u></td></tr>
<tr><td>To determine Out of Network (OON) Rates for True Choice plans, Wellfleet utilizes AMPS for repricing services. AMPS reviews all claims submitted by providers that billed with a CPT or a Healthcare Common Procedure Coding System (HCPCS) code to confirm such claims are coded and billed accurately in accordance with nationally recognized coding guidelines, AMPS will accept EDI claim files for Hospital and Professional Claims from Wellfleet and will reprice all “Clean Claims” received from Wellfleet through a Referenced Based Reimbursement methodology using a percentage of Medicare, as set forth in the member’s plan documents. The same language and Medicare reimbursement methodology is applicable to M/S and MH/SUD benefits. Therefore, in writing, the processes, standards, factors, and sources used to apply OON reimbursement to MH/SUD services is comparable and not more stringent than the processes, standards, factors, and sources used to apply OON reimbursement to M/S services.</td><td>Same as M/S</td></tr>
<tr><td colspan="2">Step 4(b): Provide the comparative analyses performed and relied upon to determine whether each NQTL is comparable to and no more stringently designed and applied, <u>in operation</u>. The comparative analyses shall include the results of any audits and reviews, and an explanation of the methodology. (§15-144(e)(4)).</td></tr>
<tr><td>Wellfleet performed a comparison of average claims payments during calendar year 2024 as a percentage of Medicare rates for the Wellfleet – True Choice book of business for M/S and MH/SUD claims. While the data is minimal, the data comparison of M/S vs MH/SUD shows percentage of Medicare reimbursement is generally comparable for MHSUD. Parity is shown in operation, as noted in the chart below.
<table>
<tr><th></th><th>ONN MedSurg</th><th>ONN MH/SUD</th></tr>
<tr><td>Non-Physician</td><td>N/A</td><td>106%</td></tr>
<tr><td>Non-Specialists</td><td>131%</td><td>136%</td></tr>
<tr><td>Specialists.</td><td>133%</td><td>142%</td></tr>
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</td><td>Same as M/S</td></tr>
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As noted in the chart above, the average reimbursement rate for specialists and non-specialists claims was greater for MH/SUD providers. Wellfleet is unable to perform a comparison with LCSW MSUD claims as compared to M/S non-physician specialists, as there were no incurred claims for the CPT codes reviewed. Thus, Wellfleet concludes that the provider reimbursement methodology is comparable to and no more stringently designed and applied in operation. As noted in the chart above, the average reimbursement rate for LCSW claims was 110% of Medicare. Wellfleet is unable to perform a comparison with LCSW MSUD claims as compared to M/S non-physician specialists, as there were no incurred claims for the CPT codes reviewed.	
Step 5 – Provide the specific findings and conclusions reached by the group health plan or health insurance issuer with respect to the health insurance coverage, including any results that indicate that the plan or coverage is or is not in compliance with this section	
Wellfleet has assessed the methodology for calculating out-of-network reimbursement amounts and has concluded that it is designed and applied comparably, and no more stringently, as-written and in-operation across MH/SUD and M/S benefits. Wellfleet's methodology for determining out-of-network M/S provider reimbursement rates and out-of-network MH/SUD provider reimbursement rates are comparable and applied no more stringently to MH/SUD providers than to M/S providers as-written. As described in the foregoing, the plans establish in their terms one methodology that uniformly applies to MH/SUD and M/S benefits. Moreover, a comparison of average claims payments shows percentage of Medicare reimbursement is generally comparable for M/S and MH/SUD. Thus, parity is also shown in operation.	