AMENDMENT TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 2646 OFFERED BY MR. KENNEDY OF MASSACHUSETTS

Strike sections 801, 802, and 803, and insert the following (and conform the table of contents accordingly):

1	SEC. 801. STRENGTHENING PARITY IN MENTAL HEALTH
2	AND SUBSTANCE USE DISORDER BENEFITS.
3	(a) Public Health Service Act.—Section
4	2726(a) of the Public Health Service Act (42 U.S.C.
5	300gg-26(a)) is amended by adding at the end the fol-
6	lowing new paragraphs:
7	"(6) Disclosure and enforcement re-
8	QUIREMENTS.—
9	"(A) DISCLOSURE REQUIREMENTS.—
10	"(i) REGULATIONS.—Not later than
11	June 30, 2017, the Secretary, in coopera-
12	tion with the Secretaries of Labor and the
13	Treasury, as appropriate, shall issue addi-
14	tional regulations for carrying out this sec-
15	tion, including an explanation of docu-
16	ments that must be disclosed by plans and
17	issuers, the process governing such disclo-
18	sures by plans and issuers, and analyses

1	that must be conducted by plans and
2	issuers by a group health plan or health in-
3	surance issuer offering health insurance
4	coverage in the group or individual market
5	in order for such plan or issuer to dem-
6	onstrate compliance with the provisions of
7	this section.
8	"(ii) Disclosure requirements.—
9	Documents required to be disclosed by a
10	group health plan or health insurance
11	issuer offering health insurance coverage in
12	the group or individual market under
13	clause (i) shall include an annual report
14	that details the specific analyses performed
15	to ensure compliance of such plan or cov-
16	erage with the law and regulations. At a
17	minimum, with respect to the application
18	of non-quantitative treatment limitations
19	(in this paragraph referred to as NQTLs)
20	to benefits under the plan or coverage,
21	such report shall—
22	"(I) identify the specific factors
23	the plan or coverage used in per-
24	forming its NQTL analysis;

1	"(II) identify and define the spe-
2	cific evidentiary standards relied on to
3	evaluate the factors;
4	"(III) describe how the evi-
5	dentiary standards are applied to each
6	service category for mental health,
7	substance use disorders, medical bene-
8	fits, and surgical benefits;
9	"(IV) disclose the results of the
10	analyses of the specific evidentiary
11	standards in each service category;
12	and
13	"(V) disclose the specific findings
14	of the plan or coverage in each service
15	category and the conclusions reached
16	with respect to whether the processes,
17	strategies, evidentiary standards, or
18	other factors used in applying the
19	NQTL to mental health or substance
20	use disorder benefits are comparable
21	to, and applied no more stringently
22	than, the processes, strategies, evi-
23	dentiary standards, or other factors
24	used in applying the limitation with

1	respect to medical and surgical bene-
2	fits in the same classification.
3	"(iii) GUIDANCE.—The Secretary, in
4	cooperation with the Secretaries of Labor
5	and the Treasury, as appropriate, shall
6	issue guidance to group health plans and
7	health insurance issuers offering health in-
8	surance coverage in the group or individual
9	markets on how to satisfy the requirements
10	of this section with respect to making in-
11	formation available to current and poten-
12	tial participants and beneficiaries. Such in-
13	formation shall include certificate of cov-
14	erage documents and instruments under
15	which the plan or coverage involved is ad-
16	ministered and operated that specify, in-
17	clude, or refer to procedures, formulas, and
18	methodologies applied to determine a par-
19	ticipant or beneficiary's benefit under the
20	plan or coverage, regardless of whether
21	such information is contained in a docu-
22	ment designated as the 'plan document'.
23	Such guidance shall include a disclosure of
24	how the plan or coverage involved has pro-
25	vided that processes, strategies, evidentiary

1	standards, and other factors used in apply-
2	ing the NQTL to mental health or sub-
3	stance use disorder benefits are com-
4	parable to, and applied no more stringently
5	than, the processes, strategies, evidentiary
6	standards, or other factors used in apply-
7	ing the limitation with respect to medical
8	and surgical benefits in the same classi-
9	fication.
10	"(iv) Definitions.—In this para-
11	graph and paragraph (7), the terms 'non-
12	quantitative treatment limitations', 'com-
13	parable to', and 'applied no more strin-
14	gently than' have the meanings given such
15	terms in sections 146 and 147 of title 45,
16	Code of Federal Regulations (or any suc-
17	cessor regulation).
18	"(B) Enforcement.—
19	"(i) Process for complaints.—The
20	Secretary, in cooperation with the Secre-
21	taries of Labor and the Treasury, as ap-
22	propriate, shall, with respect to group
23	health plans and health insurance issuers
24	offering health insurance coverage in the
25	group or individual market, issue guidance

1	to clarify the process and timeline for cur-
2	rent and potential participants and bene-
3	ficiaries (and authorized representatives
4	and health care providers of such partici-
5	pants and beneficiaries) with respect to
6	such plans and coverage to file formal
7	complaints of such plans or issuers being
8	in violation of this section, including guid-
9	ance, by plan type, on the relevant State,
10	regional, and national offices with which
11	such complaints should be filed.
12	"(ii) Authority for public en-
13	FORCEMENT.—The Secretary, in consulta-
14	tion with the Secretaries of Labor and the
15	Treasury, shall make available to the pub-
16	lic on the Consumer Parity Portal website
17	established under paragraph (7) de-identi-
18	fied information on audits and investiga-
19	tions of group health plans and health in-
20	surance issuers conducted under this sec-
21	tion.
22	"(iii) Audits.—
23	"(I) RANDOMIZED AUDITS.—The
24	Secretary in cooperation with the Sec-
25	retaries of Labor and the Treasury, is

1	authorized to conduct randomized au-
2	dits of group health plans and health
3	insurance issuers offering health in-
4	surance coverage in the group or indi-
5	vidual market to determine compli-
6	ance with this section. Such audits
7	shall be conducted on no fewer than
8	twelve plans and issuers per plan
9	year. Information from such audits
10	shall be made plainly available on the
11	Consumer Parity Portal website es-
12	tablished under paragraph (7).
13	"(II) Additional audits.—In
14	the case of a group health plan or
15	health insurance issuer offering health
16	insurance coverage in the group or in-
17	dividual market with respect to which
18	any claim has been filed during a plan
19	year, the Secretary may audit the
20	books and records of such plan or
21	issuer to determine compliance with
22	this section. Information detailing the
23	results of the audit shall be made
24	available on the Consumer Parity Por-

1	tal website established under para-
2	graph (7).
3	"(iv) Denial rates.—The Secretary
4	shall collect information on the rates of
5	and reasons for denial by group health
6	plans and health insurance issuers offering
7	health insurance coverage in the group or
8	individual market of claims for outpatient
9	and inpatient mental health and substance
10	use disorder services compared to the rates
11	of and reasons for denial of claims for
12	medical and surgical services. For the first
13	plan year beginning at least two years
14	after the date of the enactment of this
15	paragraph and each subsequent plan year,
16	the Secretary shall submit to the Energy
17	and Commerce Committee of the House of
18	Representatives and the Committee on
19	Health, Education, Labor, and Pensions of
20	the Senate, and make plainly available on
21	the Consumer Parity Portal website under
22	paragraph (7), the information collected
23	under the previous sentence with respect to
24	the previous plan year.

1	"(7) Consumer Parity Portal Website.—
2	The Secretary, in consultation with the Secretaries
3	of Labor and the Treasury, shall establish a one-
4	stop Internet website portal for—
5	"(A) submitting complaints and violations
6	relating to this section, section 712 of the Em-
7	ployee Retirement Income Security Act of 1974,
8	and section 9812 of the Internal Revenue Code
9	of 1986; and
10	"(B) for each of such Secretaries to submit
11	information in order to provide such informa-
12	tion to health care consumers pursuant to para-
13	graph (6), section 712(a)(6) of the Employee
14	Retirement Income Security Act of 1974, and
15	section 9812(a)(6) of the Internal Revenue
16	Code of 1986.
17	Such portal shall have the ability to take basic infor-
18	mation related to the complaint, including name,
19	contact information, and brief narrative, and trans-
20	mit such information in a timely fashion to the ap-
21	propriate State or Federal enforcement agency. Once
22	the consumer information is submitted, such portal
23	shall provide the consumer with contact information
24	for the appropriate enforcement agency to follow-up
25	on the complaint.".

1	(b) Employee Retirement Income Security Act
2	of 1974.—Section 712(a) of the Employee Retirement In-
3	come Security Act of 1974 (29 U.S.C. 1185a(a)) is
4	amended by adding at the end the following new para-
5	graph:
6	"(6) Disclosure and enforcement re-
7	QUIREMENTS.—
8	"(A) DISCLOSURE REQUIREMENTS.—
9	"(i) Regulations.—Not later than
10	June 30, 2017, the Secretary, in coopera-
11	tion with the Secretaries of Health and
12	Human Services and the Treasury, as ap-
13	propriate, shall issue additional regulations
14	for carrying out this section, including an
15	explanation of documents that must be dis-
16	closed by plans and issuers, the process
17	governing such disclosures by plans and
18	issuers, and analyses that must be con-
19	ducted by plans and issuers by a group
20	health plan (and health insurance coverage
21	offered in connection with such a plan) in
22	order for such plan or issuer to dem-
23	onstrate compliance with the provisions of
24	this section.

1	"(ii) Disclosure requirements.—
2	Documents required to be disclosed by a
3	group health plan (and health insurance
4	coverage offered in connection with such a
5	plan) under clause (i) shall include an an-
6	nual report that details the specific anal-
7	yses performed to ensure compliance of
8	such plan or coverage with the law and
9	regulations. At a minimum, with respect to
10	the application of non-quantitative treat-
11	ment limitations (in this paragraph re-
12	ferred to as NQTLs) to benefits under the
13	plan or coverage, such report shall—
14	"(I) identify the specific factors
15	the plan or coverage used in per-
16	forming its NQTL analysis;
17	"(II) identify and define the spe-
18	cific evidentiary standards relied on to
19	evaluate the factors;
20	"(III) describe how the evi-
21	dentiary standards are applied to each
22	service category for mental health,
23	substance use disorders, medical bene-
24	fits, and surgical benefits;

1	"(IV) disclose the results of the
2	analyses of the specific evidentiary
3	standards in each service category;
4	and
5	"(V) disclose the specific findings
6	of the plan or coverage in each service
7	category and the conclusions reached
8	with respect to whether the processes,
9	strategies, evidentiary standards, or
10	other factors used in applying the
11	NQTL to mental health or substance
12	use disorder benefits are comparable
13	to, and applied no more stringently
14	than, the processes, strategies, evi-
15	dentiary standards, or other factors
16	used in applying the limitation with
17	respect to medical and surgical bene-
18	fits in the same classification.
19	"(iii) Guidance.—The Secretary, in
20	cooperation with the Secretaries of Health
21	and Human Services and the Treasury, as
22	appropriate, shall issue guidance to group
23	health plans (and health insurance cov-
24	erage offered in connection with such a
25	plan) on how to satisfy the requirements of

1	this section with respect to making infor-
2	mation available to current and potential
3	participants and beneficiaries. Such infor-
4	mation shall include certificate of coverage
5	documents and instruments under which
6	the plan or coverage involved is adminis-
7	tered and operated that specify, include, or
8	refer to procedures, formulas, and meth-
9	odologies applied to determine a partici-
10	pant or beneficiary's benefit under the plan
11	or coverage, regardless of whether such in-
12	formation is contained in a document des-
13	ignated as the 'plan document'. Such guid-
14	ance shall include a disclosure of how the
15	plan or coverage involved has provided that
16	processes, strategies, evidentiary stand-
17	ards, and other factors used in applying
18	the NQTL to mental health or substance
19	use disorder benefits are comparable to,
20	and applied no more stringently than, the
21	processes, strategies, evidentiary stand-
22	ards, or other factors used in applying the
23	limitation with respect to medical and sur-
24	gical benefits in the same classification.

1	"(iv) Definitions.—In this para-
2	graph, the terms 'non-quantitative treat-
3	ment limitations', 'comparable to', and 'ap-
4	plied no more stringently than' have the
5	meanings given such terms in sections 146
6	and 147 of title 45, Code of Federal Regu-
7	lations (or any successor regulation).
8	"(B) Enforcement.—
9	"(i) Process for complaints.—The
10	Secretary, in cooperation with the Secre-
11	taries of Health and Human Services and
12	the Treasury, as appropriate, shall, with
13	respect to group health plans (and health
14	insurance coverage offered in connection
15	with such a plan), issue guidance to clarify
16	the process and timeline for current and
17	potential participants and beneficiaries
18	(and authorized representatives and health
19	care providers of such participants and
20	beneficiaries) with respect to such plans
21	(and coverage) to file formal complaints of
22	such plans (or coverage) being in violation
23	of this section, including guidance, by plan
24	type, on the relevant State, regional, and

1	national offices with which such complaints
2	should be filed.
3	"(ii) Authority for public en-
4	FORCEMENT.—The Secretary, in consulta-
5	tion with the Secretaries of Labor and the
6	Treasury, shall make available to the pub-
7	lic on the Consumer Parity Portal website
8	established under section 2726(a)(7) of the
9	Public Health Service Act de-identified in-
10	formation on audits and investigations of
11	group health plans (and health insurance
12	coverage offered in connection with such a
13	plan) conducted under this section.
14	"(iii) Audits.—
15	"(I) RANDOMIZED AUDITS.—The
16	Secretary in cooperation with the Sec-
17	retaries of Health and Human Serv-
18	ices and the Treasury, is authorized
19	to conduct randomized audits of
20	group health plans (and health insur-
21	ance coverage offered in connection
22	with such a plan) to determine com-
23	pliance with this section. Such audits
24	shall be conducted on no fewer than
25	twelve plans and coverage per plan

1	year. Information from such audits
2	shall be made plainly available on the
3	Consumer Parity Portal website es-
4	tablished under section 2726(a)(7) of
5	the Public Health Service Act.
6	"(II) Additional audits.—In
7	the case of a group health plan (and
8	health insurance coverage offered in
9	connection with such a plan) with re-
10	spect to which any claim has been
11	filed during a plan year, the Secretary
12	may audit the books and records of
13	such plan (or coverage) to determine
14	compliance with this section. Informa-
15	tion detailing the results of the audit
16	shall be made available on the Con-
17	sumer Parity Portal website estab-
18	lished under section 2726(a)(7) of the
19	Public Health Service Act.
20	"(iv) Denial rates.—The Secretary
21	shall collect information on the rates of
22	and reasons for denial by group health
23	plans (and health insurance coverage of-
24	fered in connection with such a plan) of
25	claims for outpatient and inpatient mental

1	health and substance use disorder services
2	compared to the rates of and reasons for
3	denial of claims for medical and surgical
4	services. For the first plan year beginning
5	at least two years after the date of the en-
6	actment of this paragraph and each subse-
7	quent plan year, the Secretary shall submit
8	to the Energy and Commerce Committee
9	of the House of Representatives and the
10	Committee on Health, Education, Labor,
11	and Pensions of the Senate, and make
12	plainly available on the Consumer Parity
13	Portal website under section 2726(a)(7) of
14	the Public Health Service Act, the infor-
15	mation collected under the previous sen-
16	tence with respect to the previous plan
17	year.''.
18	(c) Internal Revenue Code of 1986.—Section
19	9812(a) of the Internal Revenue Code of 1986 is amended
20	by adding at the end the following new paragraph:
21	"(6) DISCLOSURE AND ENFORCEMENT RE-
22	QUIREMENTS.—
23	"(A) DISCLOSURE REQUIREMENTS.—
24	"(i) REGULATIONS.—Not later than
25	June 30, 2017, the Secretary, in coopera-

1	tion with the Secretaries of Health and
2	Human Services and Labor, as appro-
3	priate, shall issue additional regulations for
4	carrying out this section, including an ex-
5	planation of documents that must be dis-
6	closed by plans and issuers, the process
7	governing such disclosures by plans and
8	issuers, and analyses that must be con-
9	ducted by plans and issuers by a group
10	health plan in order for such plan to dem-
11	onstrate compliance with the provisions of
12	this section.
13	"(ii) Disclosure requirements.—
14	Documents required to be disclosed by a
15	group health plan under clause (i) shall in-
16	clude an annual report that details the spe-
17	cific analyses performed to ensure compli-
18	ance of such plan with the law and regula-
19	tions. At a minimum, with respect to the
20	application of non-quantitative treatment
21	limitations (in this paragraph referred to
22	as NQTLs) to benefits under the plan,
23	such report shall—

1	"(I) identify the specific factors
2	the plan used in performing its NQTL
3	analysis;
4	"(II) identify and define the spe-
5	cific evidentiary standards relied on to
6	evaluate the factors;
7	"(III) describe how the evi-
8	dentiary standards are applied to each
9	service category for mental health,
10	substance use disorders, medical bene-
11	fits, and surgical benefits;
12	"(IV) disclose the results of the
13	analyses of the specific evidentiary
14	standards in each service category;
15	and
16	"(V) disclose the specific findings
17	of the plan in each service category
18	and the conclusions reached with re-
19	spect to whether the processes, strate-
20	gies, evidentiary standards, or other
21	factors used in applying the NQTL to
22	mental health or substance use dis-
23	order benefits are comparable to, and
24	applied no more stringently than, the
25	processes, strategies, evidentiary

1	standards, or other factors used in ap-
2	plying the limitation with respect to
3	medical and surgical benefits in the
4	same classification.
5	"(iii) Guidance.—The Secretary, in
6	cooperation with the Secretaries of Health
7	and Human Services and Labor, as appro-
8	priate, shall issue guidance to group health
9	plans on how to satisfy the requirements of
10	this section with respect to making infor-
11	mation available to current and potential
12	participants and beneficiaries. Such infor-
13	mation shall include certificate of coverage
14	documents and instruments under which
15	the plan involved is administered and oper-
16	ated that specify, include, or refer to pro-
17	cedures, formulas, and methodologies ap-
18	plied to determine a participant or bene-
19	ficiary's benefit under the plan, regardless
20	of whether such information is contained
21	in a document designated as the 'plan doc-
22	ument'. Such guidance shall include a dis-
23	closure of how the plan involved has pro-
24	vided that processes, strategies, evidentiary
25	standards, and other factors used in apply-

1	ing the NQTL to mental health or sub-
2	stance use disorder benefits are com-
3	parable to, and applied no more stringently
4	than, the processes, strategies, evidentiary
5	standards, or other factors used in apply-
6	ing the limitation with respect to medical
7	and surgical benefits in the same classi-
8	fication.
9	"(iv) Definitions.—In this para-
10	graph, the terms 'non-quantitative treat-
11	ment limitations', 'comparable to', and 'ap-
12	plied no more stringently than' have the
13	meanings given such terms in sections 146
14	and 147 of title 45, Code of Federal Regu-
15	lations (or any successor regulation).
16	"(B) Enforcement.—
17	"(i) Process for complaints.—The
18	Secretary, in cooperation with the Secre-
19	taries of Health and Human Services and
20	Labor, as appropriate, shall, with respect
21	to group health plans, issue guidance to
22	clarify the process and timeline for current
23	and potential participants and beneficiaries
24	(and authorized representatives and health
25	care providers of such participants and

1	beneficiaries) with respect to such plans to
2	file formal complaints of such plans being
3	in violation of this section, including guid-
4	ance, by plan type, on the relevant State,
5	regional, and national offices with which
6	such complaints should be filed.
7	"(ii) Authority for public en-
8	FORCEMENT.—The Secretary, in consulta-
9	tion with the Secretaries of Labor and the
10	Treasury, shall make available to the pub-
11	lic on the Consumer Parity Portal website
12	established under section 2726(a)(7) of the
13	Public Health Service Act de-identified in-
14	formation on audits and investigations of
15	group health plans conducted under this
16	section.
17	"(iii) Audits.—
18	"(I) RANDOMIZED AUDITS.—The
19	Secretary in cooperation with the Sec-
20	retaries of Health and Human Serv-
21	ices and Labor, is authorized to con-
22	duct randomized audits of group
23	health plans to determine compliance
24	with this section. Such audits shall be
25	conducted on no fewer than twelve

1	plans per plan year. Information from
2	such audits shall be made plainly
3	available on the Consumer Parity Por-
4	tal website established under section
5	2726(a)(7) of the Public Health Serv-
6	ice Act.
7	"(II) Additional audits.—In
8	the case of a group health plan with
9	respect to which any claim has been
10	filed during a plan year, the Secretary
11	may audit the books and records of
12	such plan to determine compliance
13	with this section. Information detail-
14	ing the results of the audit shall be
15	made available on the Consumer Par-
16	ity Portal website established under
17	section 2726(a)(7) of the Public
18	Health Service Act.
19	"(iv) Denial rates.—The Secretary
20	shall collect information on the rates of
21	and reasons for denial by group health
22	plans of claims for outpatient and inpa-
23	tient mental health and substance use dis-
24	order services compared to the rates of and
25	reasons for denial of claims for medical

1	and surgical services. For the first plan
2	year beginning at least two years after the
3	date of the enactment of this paragraph
4	and each subsequent plan year, the Sec-
5	retary shall submit to the Energy and
6	Commerce Committee of the House of
7	Representatives and the Committee on
8	Health, Education, Labor, and Pensions of
9	the Senate, and make plainly available on
10	the Consumer Parity Portal website under
11	section 2726(a)(7) of the Public Health
12	Service Act, the information collected
13	under the previous sentence with respect to
14	the previous plan year.".
15	(d) GAO STUDY ON MENTAL HEALTH AND SUB-
16	
	STANCE USE PARITY ENFORCEMENT EFFORTS.—Not
17	STANCE USE PARITY ENFORCEMENT EFFORTS.—Not later than one year after the date of enactment of this
17 18	
	later than one year after the date of enactment of this
18	later than one year after the date of enactment of this Act, the Comptroller General of the United States, in con-
18 19	later than one year after the date of enactment of this Act, the Comptroller General of the United States, in consultation with the Secretary of Health and Human Serv-
18 19 20	later than one year after the date of enactment of this Act, the Comptroller General of the United States, in consultation with the Secretary of Health and Human Services, the Secretary of Labor, and the Secretary of the
18 19 20 21	later than one year after the date of enactment of this Act, the Comptroller General of the United States, in consultation with the Secretary of Health and Human Services, the Secretary of Labor, and the Secretary of the Treasury, shall submit to Congress, and make plainly
18 19 20 21 22	later than one year after the date of enactment of this Act, the Comptroller General of the United States, in consultation with the Secretary of Health and Human Services, the Secretary of Labor, and the Secretary of the Treasury, shall submit to Congress, and make plainly available on the Consumer Parity Portal website under

- 1 the responsible departments and agencies in implementing
- 2 sections 2726 of the Public Health Service Act 42 U.S.C.
- 3 300gg-26), 712 of the Employee Retirement Income Se-
- 4 curity Act of 1974 (29 U.S.C. 1185a), and 9812 of the
- 5 Internal Revenue Code of 1986, including—
- 6 (1) the number of investigations and audits
- 7 that have been conducted into potential parity viola-
- 8 tions; and
- 9 (2) details on the investigation, audits, or en-
- forcement action that was carried out as a result of
- such investigations that would not identify the sub-
- ject of such investigation or enforcement.
- (e) AUTHORIZATION OF APPROPRIATIONS.—There is
- 14 authorized to be appropriated \$2,000,000 for each of fis-
- 15 cal years 2017 through 2021 to carry out this section, in-
- 16 cluding the amendments made by this section.
 - Page 143, line 21, strike "**804**" and insert "**802**" (and conform the table of contents accordingly).
 - Page 145, line 15, strike "**805**" and insert "**803**" (and conform the table of contents accordingly).
 - Page 147, line 6, strike "**806**" and insert "**804**" (and conform the table of contents accordingly).
 - Page 148, line 1, strike "807" and insert "805" (and conform the table of contents accordingly).

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Page 149, line 10, strike "808" and insert "806" (and conform the table of contents accordingly).

