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Mental Health Parity: Is it Time for a Checkup or a Full Comparative Analysis?

Mental Health Parity and Addiction Equity Act (MHPAEA) compliance is a statutory requirement, and the Department of Labor (DOL) and Centers for Medicare and Medicaid Services (CMS) continue to actively enforce the law and related regulations.

Employers with fully insured plans can often rely on their insurance carrier to provide the required documentation, but those with self and level funded plans must be able to produce a Comparative Analysis when requested.

Two Levels of Support

Full Comparitive Analysis

A full comparative analysis is the Department of Labor's required standard for demonstrating MHPAEA compliance for both quantitative and non-quantitative treatment limitations (QTLs and NQTLs).

Best for:

Meeting regulatory requirements and being fully prepared for audit or inquiry.

What it includes:

- Detailed QTL and NQTL comparative analyses
- Evaluation of the plan as written and operational parity
- Claims data analysis across TPAs and PBMs
- Review of processes, factors, and evidentiary standards
- Formal, audit-ready documentation
- Expert-backed remediation guidance

The Full Comparative Analysis provides the documentation and support needed to demonstrate compliance with MHPAEA and defend your fiduciary position as plan sponsor.

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Mental Health Parity Assessment

The MHP Checkup is a fast, practical way to understand where your plan stands today. It's designed as a focused review that surfaces potential gaps, clarifies areas of uncertainty, and provides clear, actionable next steps.

This is not a full comparative analysis, and it does not fulfill statutory requirements. Instead, it gives you immediate visibility—so you can make informed decisions about where to prioritize your efforts.

Best for:

A second-year review of compliance after running a full comparative analysis or a cost-efficient tool for determining current risk and next steps.

What it does:

- Reviews plan documents and benefit structure
- Screens for potential parity issues (NQTLs and design elements)
- Flags areas of concern
- Provides clear, actionable next-step recommendations

What it does NOT do:

- Full MHPAEA testing
- Detailed operational or claims-level analysis
- Provide audit-ready documentation required by regulators

The Lumelight MHP Assessment provides clarity by identifying potential exposure.

Which Level is Right?

When to choose a Full Comparative Analysis:

- You want to be fully prepared for an audit, regulatory inquiry, or request from a participant
- Your plan involves multiple vendors (TPA, PBM, carve-outs)
- You've had plan changes (design, funding, vendors)
- An assessment has identified potential risks

When to choose an Assessment:

- You completed an analysis previously and want a checkup
- You need a budget-conscious starting point
- You want to understand your exposure before committing to a full analysis
- You intend to fix any red flags in the plan before completing a full analysis

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If you're unsure where to start, we can help determine the right path based on your plan structure, risk profile, and timing.