

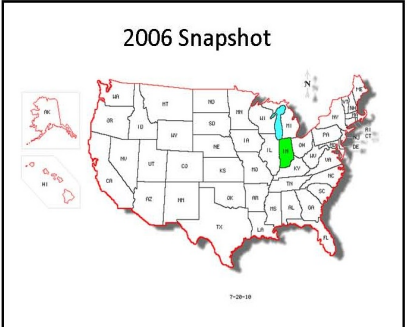
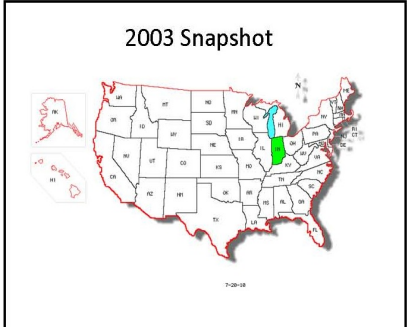
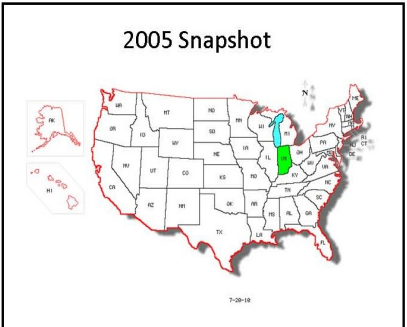
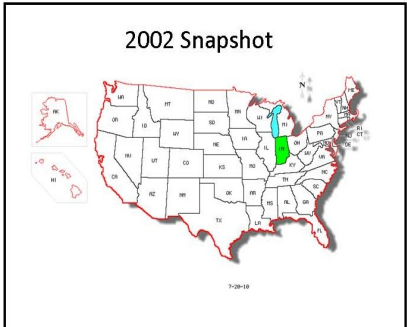
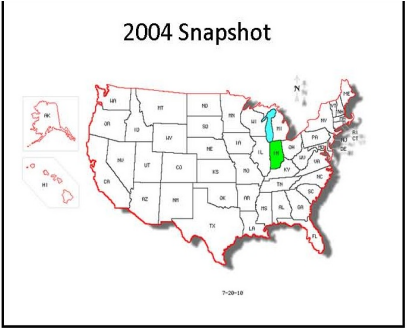
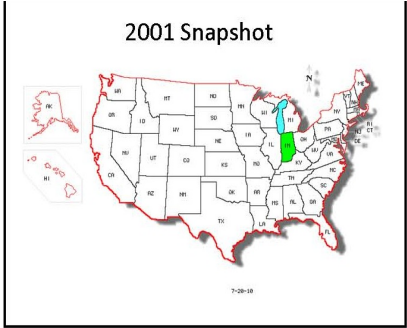


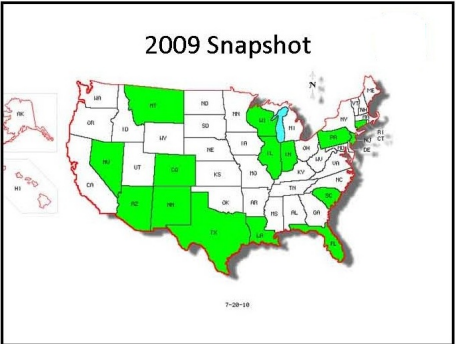
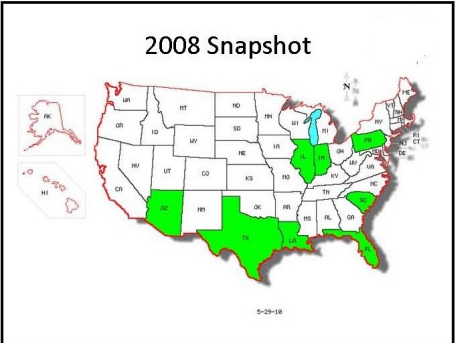
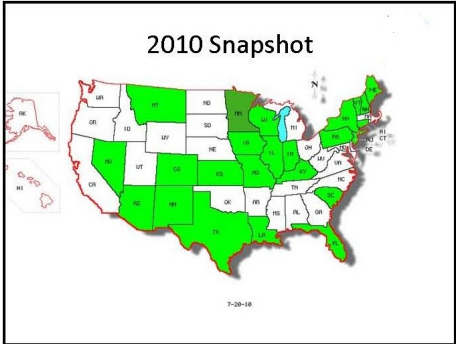
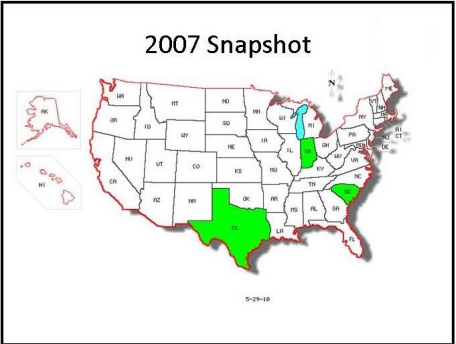
Insurance Coverage for Autism in Kansas

Judith Ursitti, CPA
Director, State Government Affairs

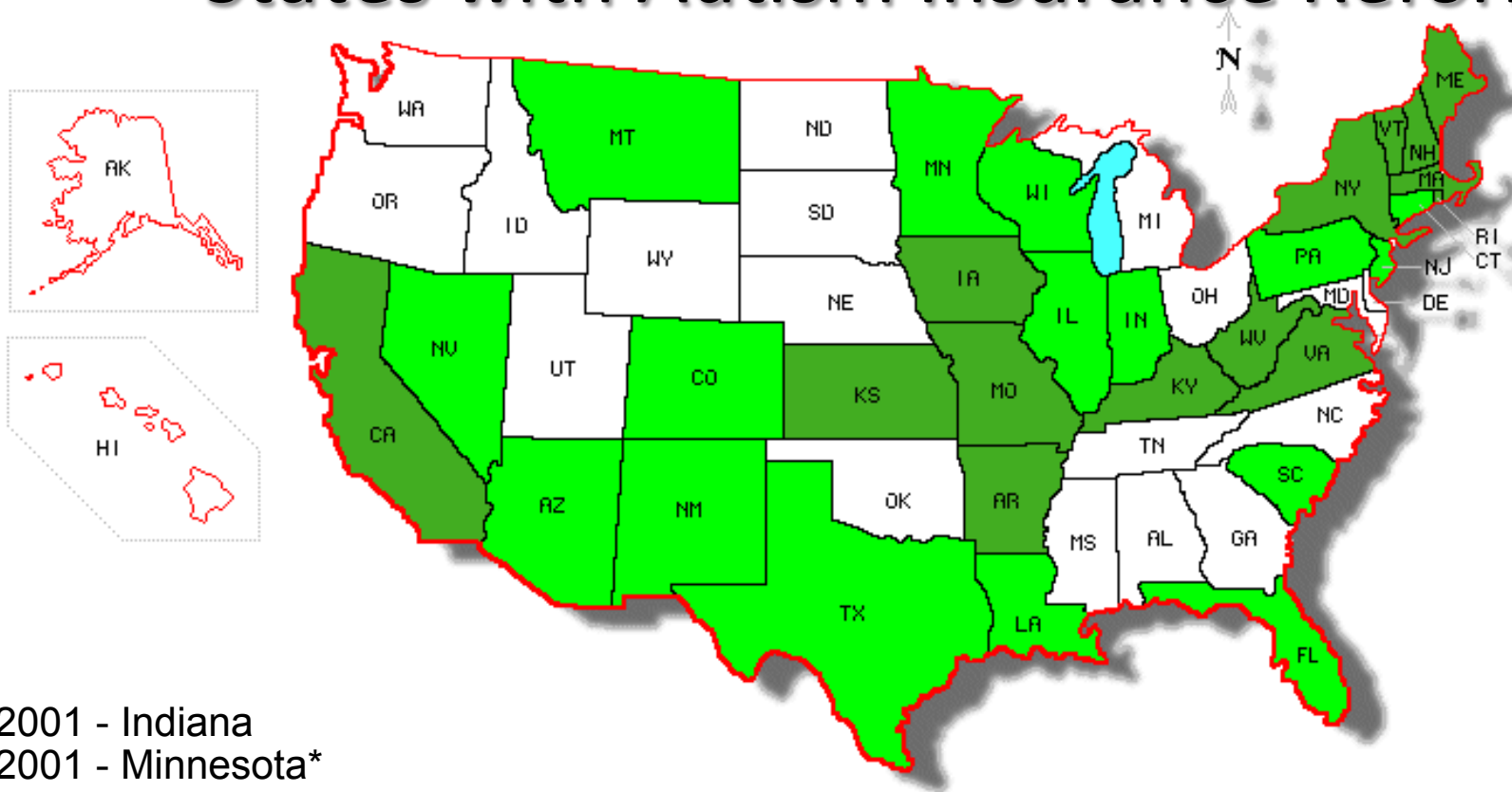
Lorri Unumb, Esq.
VP, State Government Affairs

Autism Speaks





States with Autism Insurance Reform



2001 - Indiana
2001 - Minnesota*

2007 - South Carolina
2007 - Texas

2008 - Arizona
2008 - Florida
2008 - Louisiana
2008 - Pennsylvania
2008 - Illinois

2009 - Colorado
2009 - Nevada
2009 - Connecticut
2009 - Wisconsin
2009 - Montana
2009 - New Jersey
2009 - New Mexico

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2010 - Maine
2010 - Kentucky
2010 - Kansas
2010 - Iowa
2010 - Vermont
2010 - Missouri
2010 - New Hampshire
2010 - Massachusetts

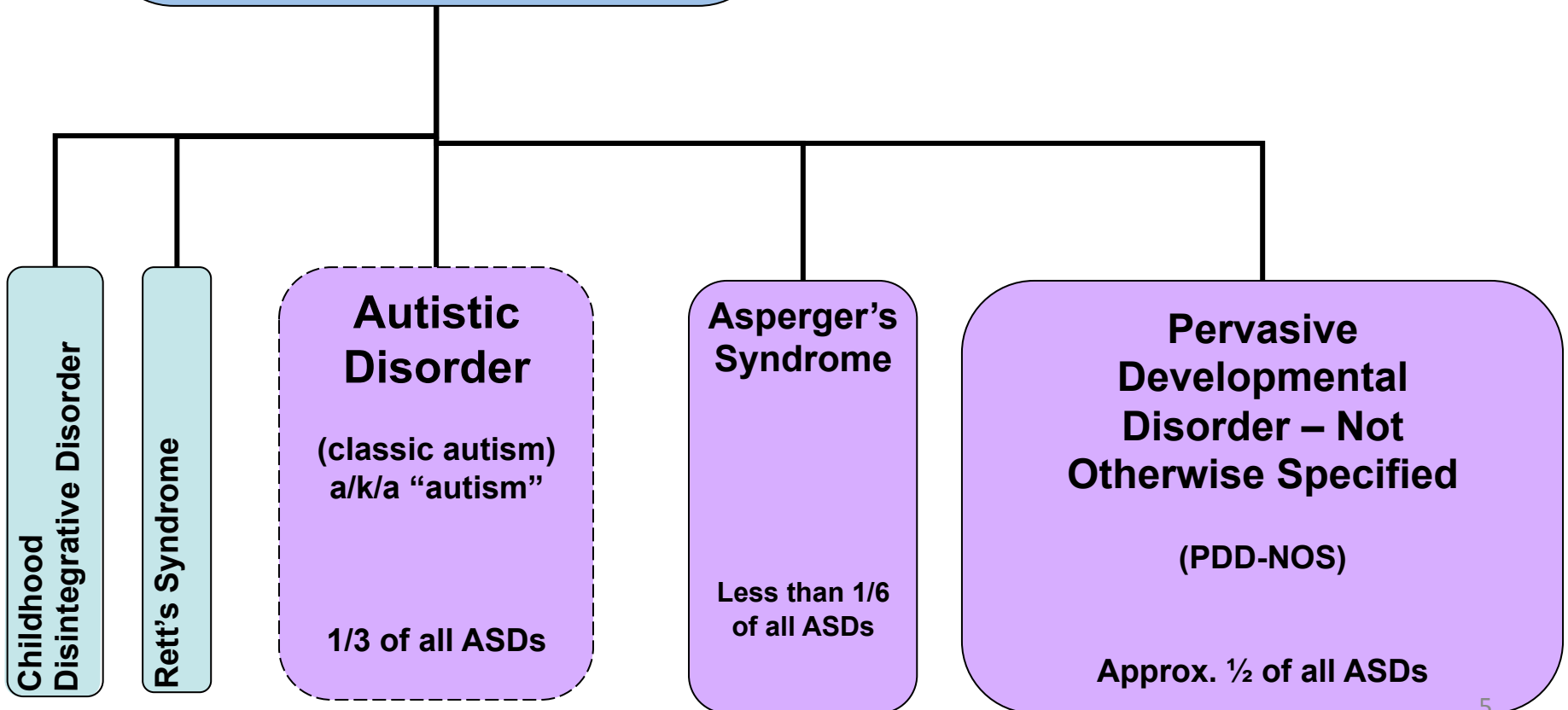
2011 - Arkansas
2011 - West Virginia
2011 - Virginia
2011 - Rhode Island
2011 - California
2011 - New York

Pervasive Developmental Disorders

(the umbrella category in the DSM-IV)

There are 5 Pervasive Developmental Disorders (PDDs).

Within the 5 PDDs, there are 3 **Autism Spectrum Disorders** (ASDs), shown in purple below.



ABA Therapy Is Not Experimental

- “Thirty years of research demonstrated the efficacy of applied behavioral methods in reducing inappropriate behavior and in increasing communication, learning, and appropriate social behavior.”

Report of the Surgeon General of the United States, 1999

- “ABA therapy is not experimental or investigational in nature.”

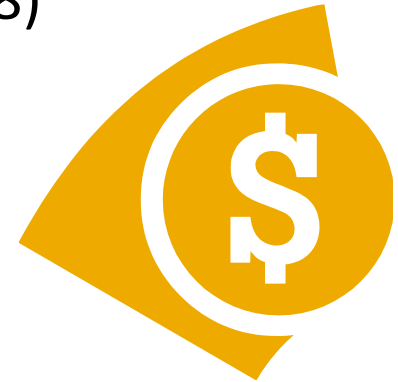
McHenry v. PacificSource Health Plans (D. Oregon, Jan. 5, 2010)

- “The effectiveness of ABA-based intervention in ASDs has been well documented through 5 decades of research Children who receive early intensive behavioral treatment have been shown to make substantial, sustained gains in IQ, language, academic performance, and adaptive behavior as well as some measures of social behavior, and their outcomes have been significantly better than those of children in control groups.”

American Academy of Pediatrics

Societal Costs of Autism

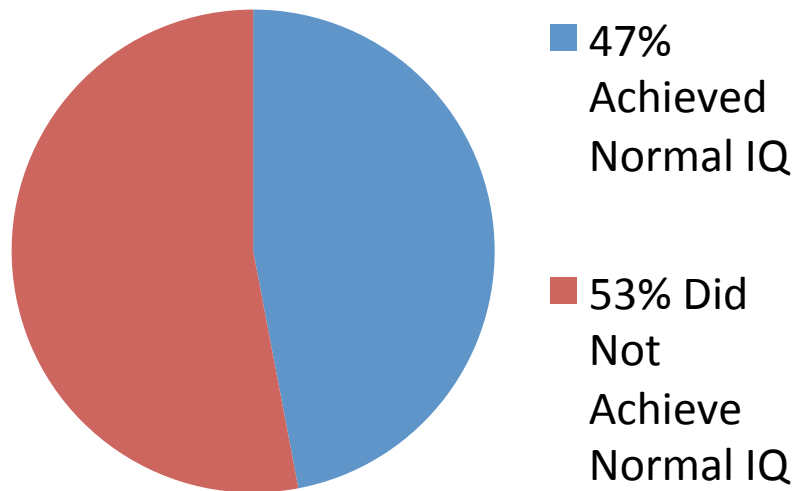
- Harvard School of Public Health (Ganz, 2006)
- \$3.2 million per person over lifetime
 - Includes direct and indirect costs, such as lost productivity
- Pennsylvania (Green, Jacobson & Mulick, 1998)
- Over \$1 million per person



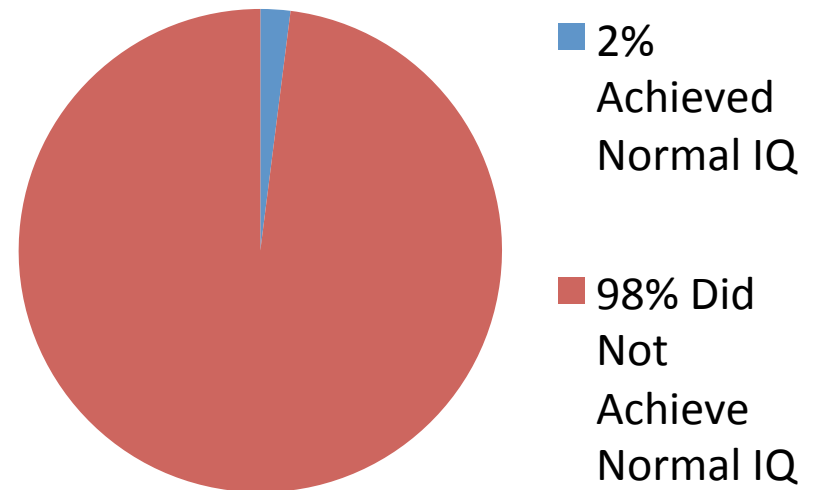
Savings to the State: Special Education

Outcome of 1987 UCLA Study on Efficacy of ABA

ABA Group

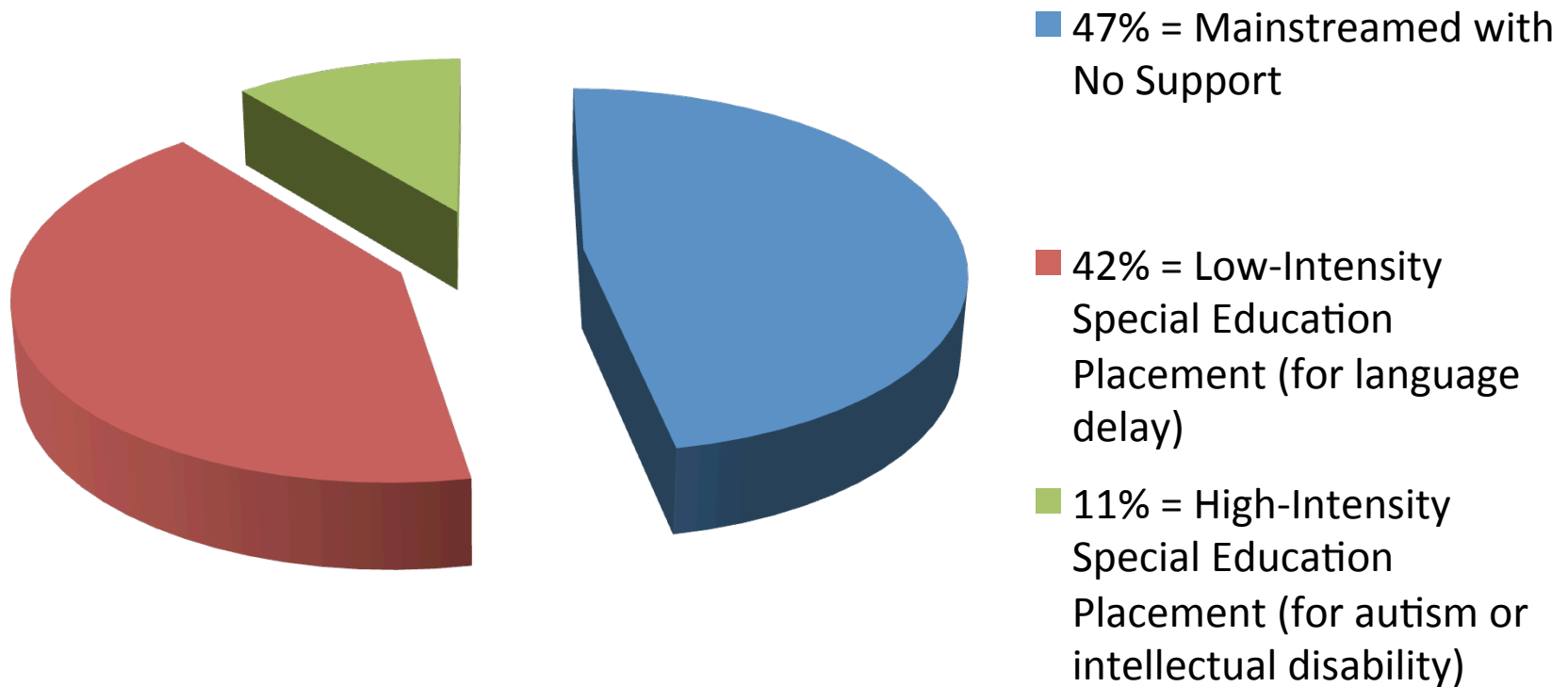


**Other Intervention
(Control) Group**



Outcome of 1987 UCLA Study

Educational Placements for Group That Received ABA



Savings to the State: Special Education

“A study published in a national journal found that Pennsylvania could save an average of \$187,000 to \$203,000 on each child who received three years of EIBI relative to one who received special education services until age 22. The Pennsylvania study also suggested that cost savings would likely continue to accrue after children exit the school system. The study found that the state could save from \$656,000 to \$1.1 million per child if expenditures up to age 55 are included.

Another study published in a national journal found that Texas could save an average of \$208,500 in education costs for each student who received three years of EIBI relative to a student who received 18 years of special education from ages four to 22. Applied to the estimated 10,000 children with ASDs in Texas, it was estimated that the state could save almost \$2.1 billion by implementing intensive treatment programs.”

Source: 2009 Report of the Joint Legislative Audit and Review Commission to the Governor and General Assembly of Virginia (JLARC Report)



“Educational in Nature”?



- False choice
- What does “educational in nature” mean?
- *Schools provide?*
- *Schools would provide if adequate resources?*
 - No obligation under IDEA or state law to treat medical condition
 - Schools are required to accommodate the disabling condition, not remedy it.
- Is speech therapy “educational in nature”? AAP report.
- *Provided by school personnel?*
- Academic goals
- ASD is diagnosed by a doctor, not a principal
- Argument du jour
 - Rejected in 29 states
 - Rejected in federal court



“Educational in Nature”?

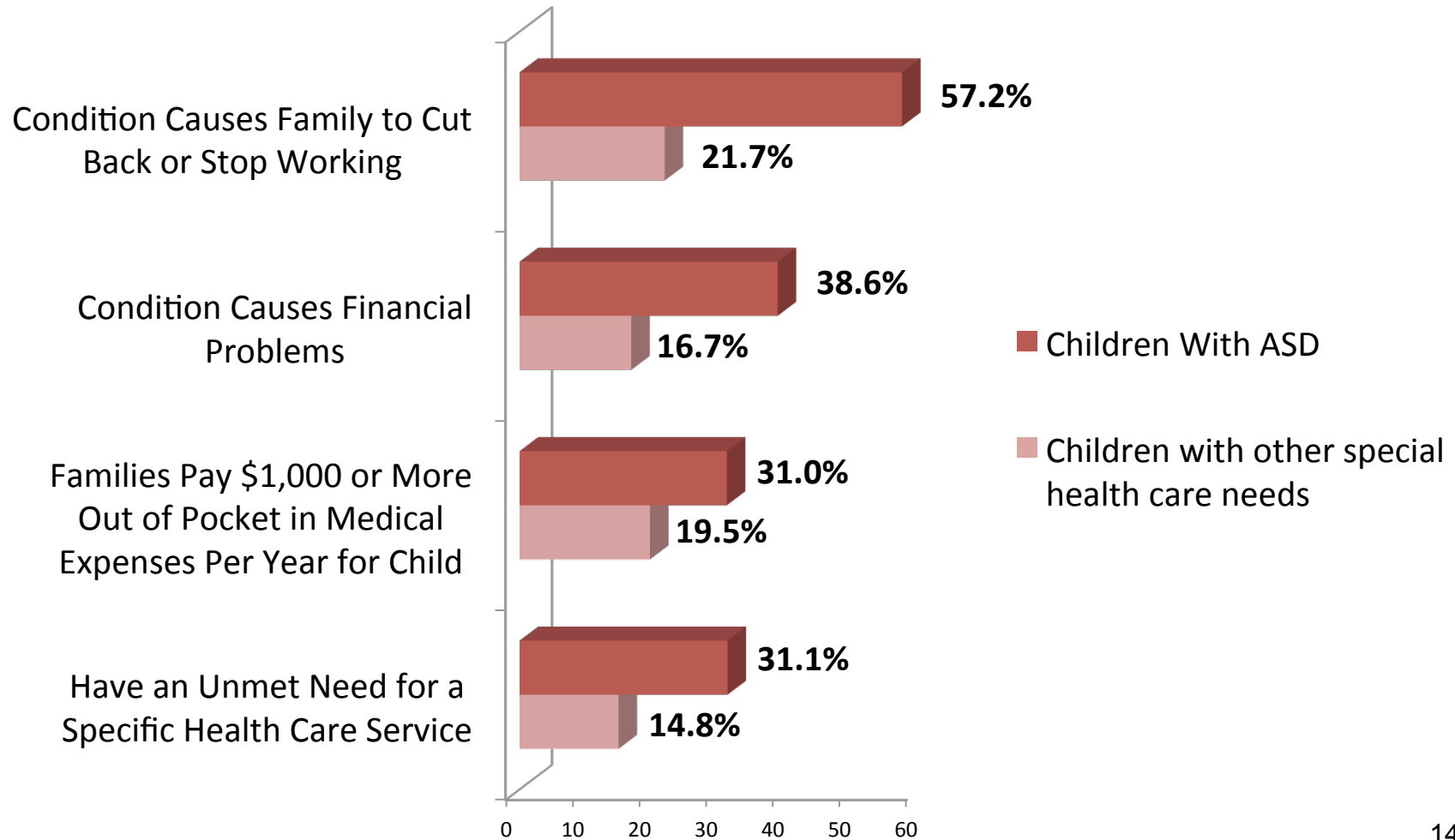
- *McHenry v. PacificSource Health Plans* (D. Oregon, Jan. 5, 2010)
- “While ABA therapy may have beneficial effects on an autistic child’s social and academic skills, its defining characteristic is application of techniques to modify behavior in every area of an autistic child’s life. In this regard, a sports analogy is instructive. While participation in sports can benefit a student’s academic and social skills, no one would classify sports as academic or social skills training.
- Similarly, the incidental benefits in these areas resulting from ABA therapy, while real, do not dictate that it be classified as either academic or social skills training.
- . . . While aimed at improving social and academic functioning, it does this by specifically addressing behavioral deficits possessed by autistic children that interfere with every area of their life, not by educating kids on social norms or teaching study skills or other tools specific to academic success.”

Self-Funded ERISA Plans That Cover Autism Treatments

- Microsoft
- Home Depot
- Intel
- Arnold & Porter
- Eli Lilly
- Deloitte
- Ohio State University
- Time Warner
- Blackbaud
- Lahey Clinic
- Partners Healthcare
- Wells Fargo
- Capitol One
- Lexington Medical Center
- University of Minnesota
- Progressive Group
- Greenville Hospital System
- Symantec
- DTE Energy
- Cerner
- State Street Financial
- Children's Mercy
- EMC
- Yahoo
- Sisters of Mercy
- Princeton University
- And many more . . .

Why Single Out Autism?

Journal Pediatrics



States That Have Passed Autism Insurance Reform Legislation Since March 2010

(Federal Health Care Reform Signed into Law)

2010 - Maine	2011 - Arkansas*
2010 - Kentucky	2011 - Virginia*
2010 - Kansas	2011 - West Virginia*
2010 - Iowa	2011 - Rhode Island
2010 -- Vermont	2011 - California*
2010 - Missouri	2011 - New York
2010 - New Hampshire	
2010 -- Massachusetts	

*Laws include language regarding the impact of the essential benefits.



Impact of Federal Health Care Reform

States are potentially “on the hook” for benefits they require of plans in their Exchange that exceed the benefits required by the PPACA (the “Essential Benefits”).

Applies only to plans offered through Exchanges as well as some small group and individual plans. Starts in 2014.

Dark green states on US map passed autism insurance legislation after ACA was signed into law.



Federal Health Care Reform: The Essential Benefits Package (pre-amendment)

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services, including oral and vision care



Senator Menendez Successfully Amends Patient Protection & Affordable Care Act to Include Behavioral Health Treatment for Autism Spectrum Disorder



Watch video at: <http://www.autismvotes.org/site/apps/nlnet/content2.aspx?c=frKNI3PCImE&b=3930723&ct=7522291>



Federal Health Care Reform: The Essential Benefits Package

(as enacted)

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services, **including behavioral health treatment**
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services, including oral and vision care



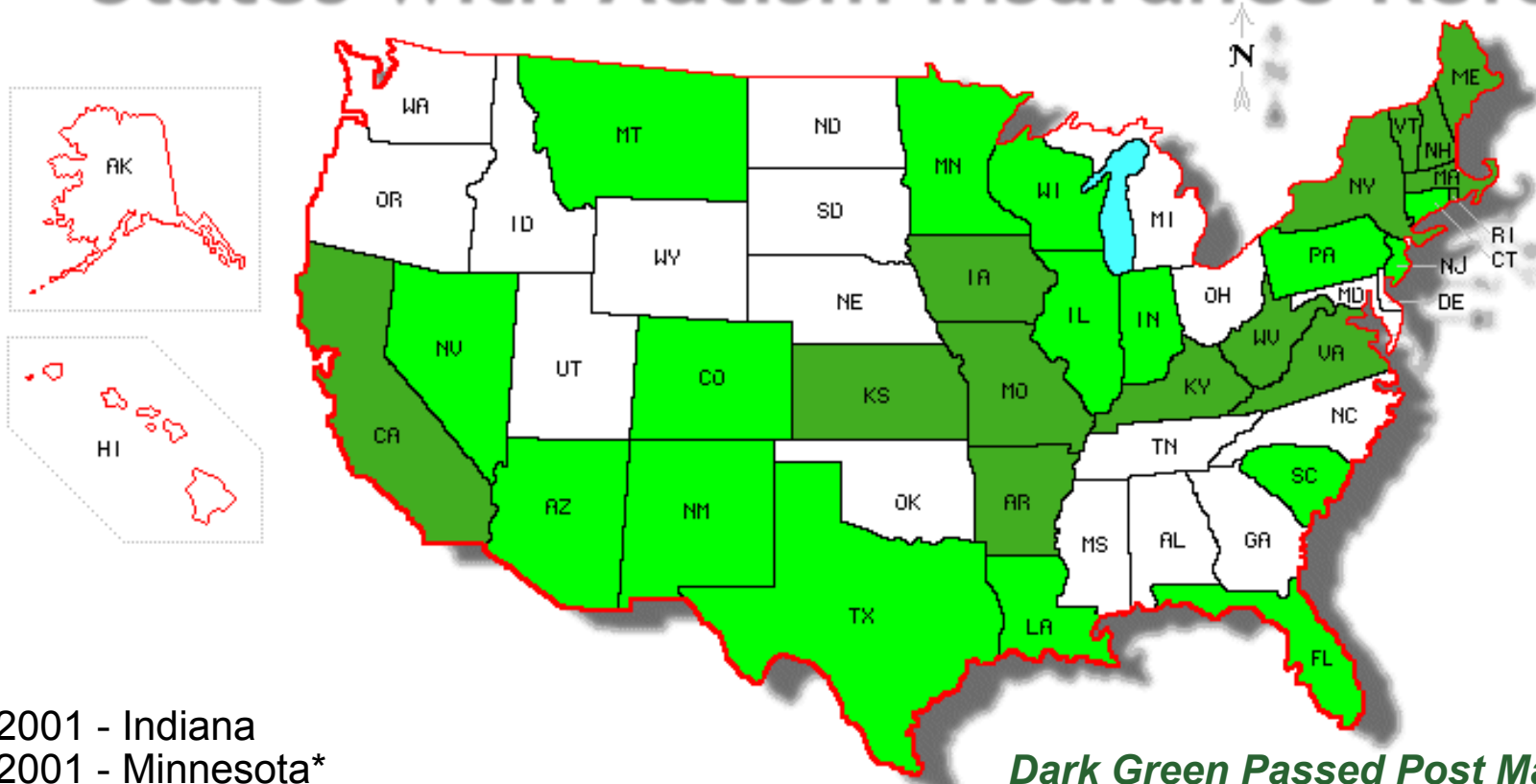
Sample Cost Exposure Language Adopted by Numerous States

To the extent that the provisions of this section requires benefits that exceed the essential health benefits specified under section 1302(b) of the Patient Protection and Affordable Care Act, Pub. L.

No. 111-148, as amended, the specific benefits that exceed the specified essential health benefits shall not be required of a health benefit plan when the plan is offered by a health care insurer in this state.



States with Autism Insurance Reform



2001 - Indiana
2001 - Minnesota*

2007 - South Carolina
2007 - Texas

2008 - Arizona
2008 - Florida
2008 - Louisiana
2008 - Pennsylvania
2008 - Illinois

2009 - Colorado
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2009 - Connecticut
2009 - Wisconsin
2009 - Montana
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Dark Green Passed Post March 2010

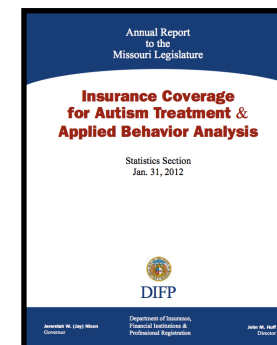
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Actual Claims Data Missouri



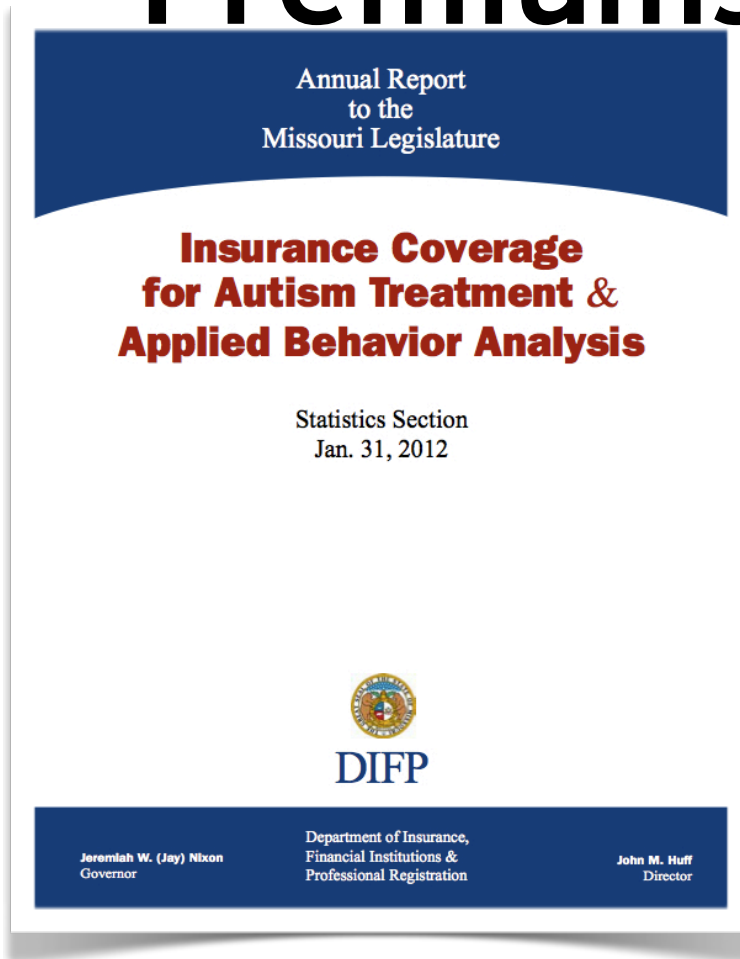
- Implemented Jan 2011
- Terms
- \$40,000/yr (cap only applies to ABA)*
- until age 18*

• Total claims paid =	\$4,309,828
• Total covered lives =	17,332,763
• Unique claimants =	3,805
• PMPM cost =	25 ¢



* Caps can be exceeded if deemed medically necessary
Source: Missouri Department of Insurance, Financial Institutions and Professional Registration

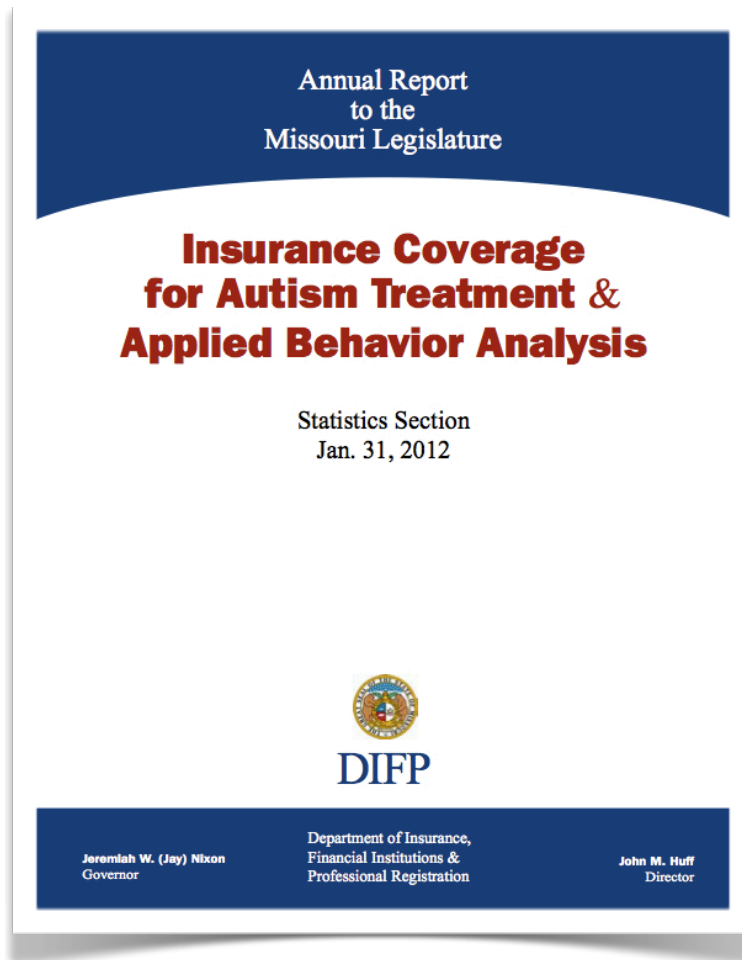
Affect on Premiums



- Claims incurred for treatment of ASD represent 0.1% of total claims
- “While claims costs are expected to grow somewhat in the future, it seems very unlikely that costs for autism treatment will have an appreciable impact on insurance premiums.”



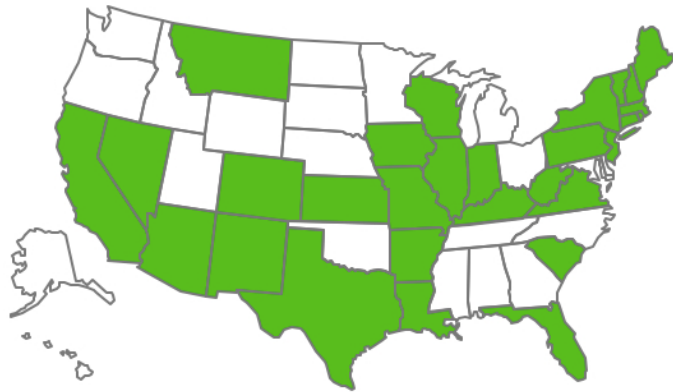
Cost of ABA



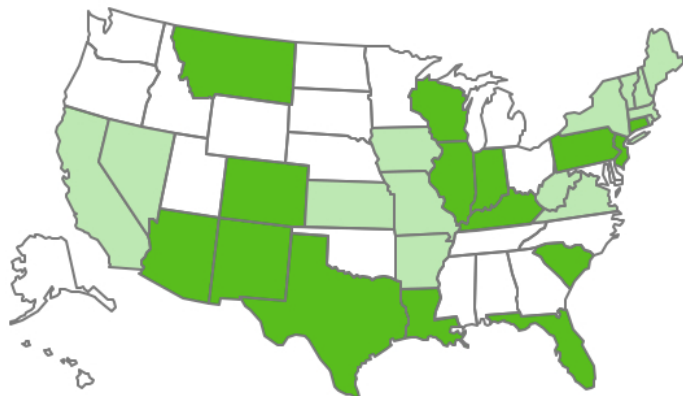
- Average monthly cost of ABA per individual with ASD = \$35
- 6 cents PMPM
- 0.02% of total claims



Collection of Actual Claims Data



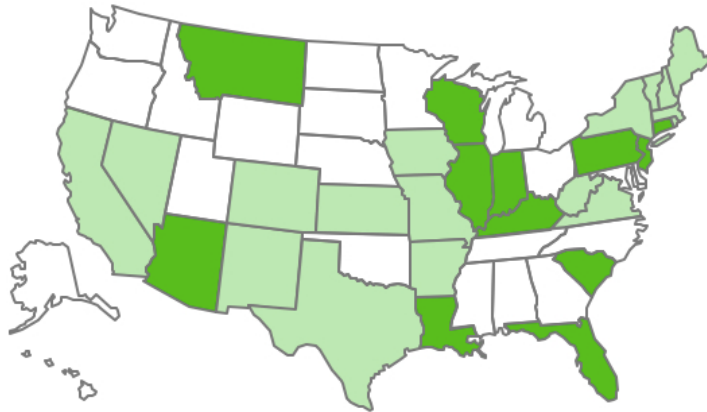
- **29 states** have passed autism insurance reform legislation



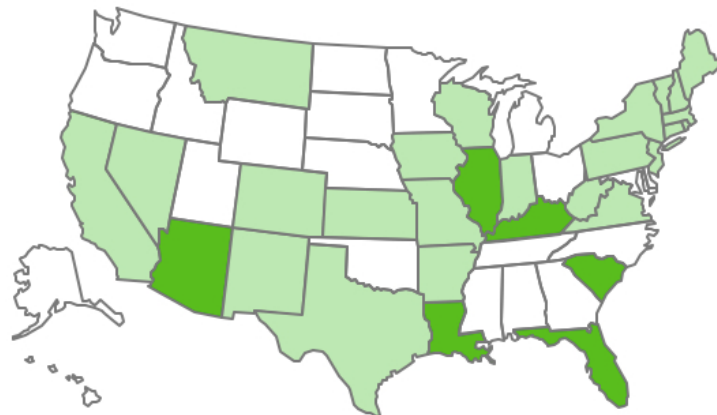
- Legislation has been in effect for at least 1 year in **15 states**



Collection of Actual Claims Data



- 12 of these 15 states require coverage of state employees; data was requested from these **13 states**



- Actual claims data has been received from **6 states**



Average first year cost = 15 cents

	Year of coverage	Number of Covered Lives	Total Claims	PMPM cost
South Carolina	1	371,384	\$856,369	\$0.19
Illinois	1	171,979	\$187,684	\$0.09
Florida	1	382,083	\$390,724	\$0.09
Arizona	1	130,000	\$473,818	\$0.30
Kentucky	1	240,000	\$278,922	\$0.10
	Average first year cost			\$0.15



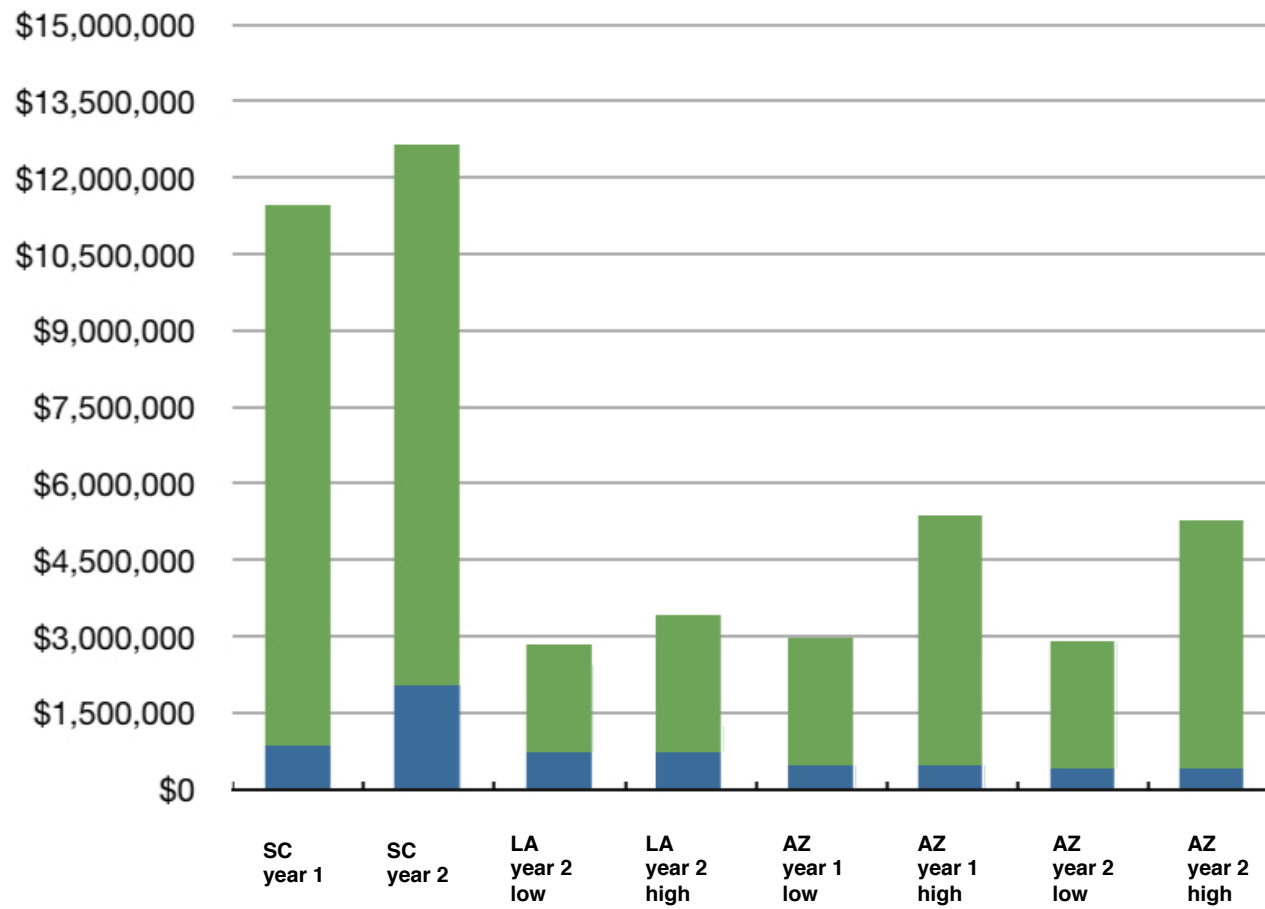
Average second year cost = 31 cents

	Year of coverage	Number of Covered Lives	Total Claims	PMPM cost
South Carolina	2	397,757	\$2,042,394	\$0.43
Illinois	2	170,790	\$197,290	\$0.10
Louisiana	2	149,477	\$722,828	\$0.40
Florida	2	386,203	\$1,748,849	\$0.38
Arizona	2	130,000	\$388,662	\$0.25
	Average second year cost			\$0.31



Projected vs Actual Costs

Actual Cost Fiscal Note from State Legislature



Projected vs Actual Costs

	Year of coverage	Total Claims	Fiscal Note from State Legislature	Difference in projected versus actual cost
South Carolina	1	\$856,369	\$10,590,000	1,237%
	2	\$2,042,394	\$10,590,000	519%
Louisiana	2	\$722,828	\$2,118,307	293%
	2	\$722,828	\$2,686,796	372%
Arizona	1	\$473,818	\$2,500,000	528%
	1	\$473,818	\$4,900,000	1,034%
	2	\$388,662	\$2,500,000	643%
	2	\$388,662	\$4,900,000	1,261%



Comparison of Autism Benefits

State	Annual Cap	Age Cap
Indiana	None	None
Minnesota**	None	None
South Carolina	\$50,000 - ABA	16
Texas	None	11
Pennsylvania	\$36,000	21
Montana	\$50,000/\$20,000 at 10	18
Arizona	\$50,000/\$25,000 at 9	17
Missouri	\$40,000	18
New Hampshire	\$36,000/\$27,000 at 13	21
Kansas*	\$36,000/\$27,000 at 7	19
Massachusetts	None	None
Vermont	None	6, or 1 st grade***
Iowa*	\$36,000	21





“[N]o disability claims more parental time and energy than autism.”

New York Times,
12/20/04