

# Legislative Analysis

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## **AUTISM: MANDATE INSURANCE BENEFITS**

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### **House Bill 4183**

**Sponsor: Rep. Richard Ball**

### **House Bill 4476**

**Sponsor: Rep. Kathy Angerer**

**Committee: Health Policy**

**Complete to 6-1-09**

## **A SUMMARY OF HOUSE BILL 4183 AS INTRODUCED ON 2-5-09 AND HOUSE BILL 4476 AS INTRODUCED ON 2-26-09**

The bills would amend the insurance laws to require health insurers to cover autism-related health treatments. As introduced, the bills differ as to definitions of "autism spectrum disorder" and the treatments that would be required to be covered.

House Bill 4183 would amend the Insurance Code (MCL 500.3406s), which applies to commercial insurers and health maintenance organizations (HMOs), to add a new section to the code to require health insurers and HMOs to provide coverage for autism spectrum disorder subject to the same terms and conditions that the insurer applies to treatment of other disorders. "Autism spectrum disorder" would mean a neurobiological condition that includes autism, Asperger Syndrome, and Rett's Syndrome. Treatments for which coverage would be required would include therapeutic evaluations and interventions, speech therapy, occupational therapy, physical therapy, intensive early intervention, applied behavioral analysis, and Lovass behavioral therapy.

House Bill 4476 would add a new section to the Nonprofit Health Care Corporation Reform Act (MCL 550.1416e), which regulates Blue Cross Blue Shield of Michigan, to require a group or individual health plan to provide coverage for the screening, diagnosis, and treatment of autism spectrum disorder. The treatments required to be covered would include speech therapy, occupational therapy, physical therapy, psychological services, psychiatric services, and applied behavior analysis, as prescribed or ordered by the member's treating physician or psychologist. The bill's provisions could not be construed as limiting benefits otherwise available to a member with autism spectrum disorder.

Coverage for autism spectrum disorder would have to be subject to the same terms and conditions that BCBSM applies to the treatment of other disorders, with the following exceptions:

- Treatment could not be limited or denied on the basis that it is habilitative in nature.
- Treatment could not be subject to visit limits.
- BCBSM could request a review of an autism spectrum disorder treatment but not more than once every six months unless BCBSM and the treating physician or psychologist agrees that a more frequent review is necessary. BCBSM would bear the cost of the review.

"Applied behavior analysis" would be defined to mean the design, implementation, and evaluation of environmental modifications, using behavioral stimuli and consequences, to produce socially significant improvement in human behavior, including the use of direct observation, measurement, and functional analysis of the relations between environment and behavior.

"Autism spectrum disorder" would mean any of the pervasive developmental disorders as defined by the most recent edition of the *Diagnostic and Statistical Manual of Mental Disorders* (DSM), including autistic disorder, Asperger's disorder, and pervasive developmental disorder not otherwise specified.

## **FISCAL IMPACT:**

The bill would have no significant fiscal impact on the Department of Energy, Labor, and Economic Growth (Office of Financial and Insurance Regulation) in administering the additional requirements as set forth in the legislation. Beyond that, however, the bills would have significant cost implications, which are indeterminate at this time, on the state and on local governmental units, as well as the private sector. The Council for Affordable Health Insurance (CAHI), for instance, notes that mandated autism coverage increases health insurance costs by about one percent, although given the increased incidence of autism diagnoses (and the push for expanded services), the increase is expected to be between one percent and three percent in the coming years<sup>1</sup>. Similarly, the New Jersey Mandated Health Benefits Advisory Commission estimated, in a 2007 study, that mandated autism insurance coverage, based on actuarial data, increased premiums for a family by 0.79%<sup>2</sup>. Similar estimates were submitted to the Pennsylvania Health Care Cost Containment Council<sup>3</sup>. Beyond the impact on insurance premiums there is a substantial body of literature assessing the cost effectiveness of applied behavioral analysis (ABA) and expanding early intensive behavioral intervention (EIBI) activities<sup>4</sup>. This analysis will be updated as additional information becomes available.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.

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<sup>1</sup> *The Growing Trend Toward Mandating Autism Coverage*, The Center for Affordable Health Insurance, March 2009, [[http://www.cahi.org/cahi\\_contents/resources/pdf/n152AutismTrend.pdf](http://www.cahi.org/cahi_contents/resources/pdf/n152AutismTrend.pdf)].

<sup>2</sup> *A Study of Assembly Bill A-999*, New Jersey Mandated Health Benefits Advisory Commission, February 2007, [[http://nj.gov/dobi/division\\_insurance/mhbac/070314\\_A999rpt\\_MHBAC.pdf](http://nj.gov/dobi/division_insurance/mhbac/070314_A999rpt_MHBAC.pdf)].

<sup>3</sup> *Autism Spectrum Disorders Mandated Benefits Review Panel Report: Evidence Submitted Concerning Pennsylvania HB 1150*, prepared by ABT Associates Inc. for the Pennsylvania Health Care Cost Containment Council, June 2008, [<http://www.phc4.org/reports/mandates/HB1150/AutismPanelReport061808.pdf>].

<sup>4</sup> *Early Intensive Applied Behavior Analytic Intervention for Autism: Selected Resources*, Association of Professional Behavior Analysts, October 2008, [<http://www.apbahome.net/downloads/EarlyIntABARefs10-08.pdf>]