



Autism Insurance in North Carolina



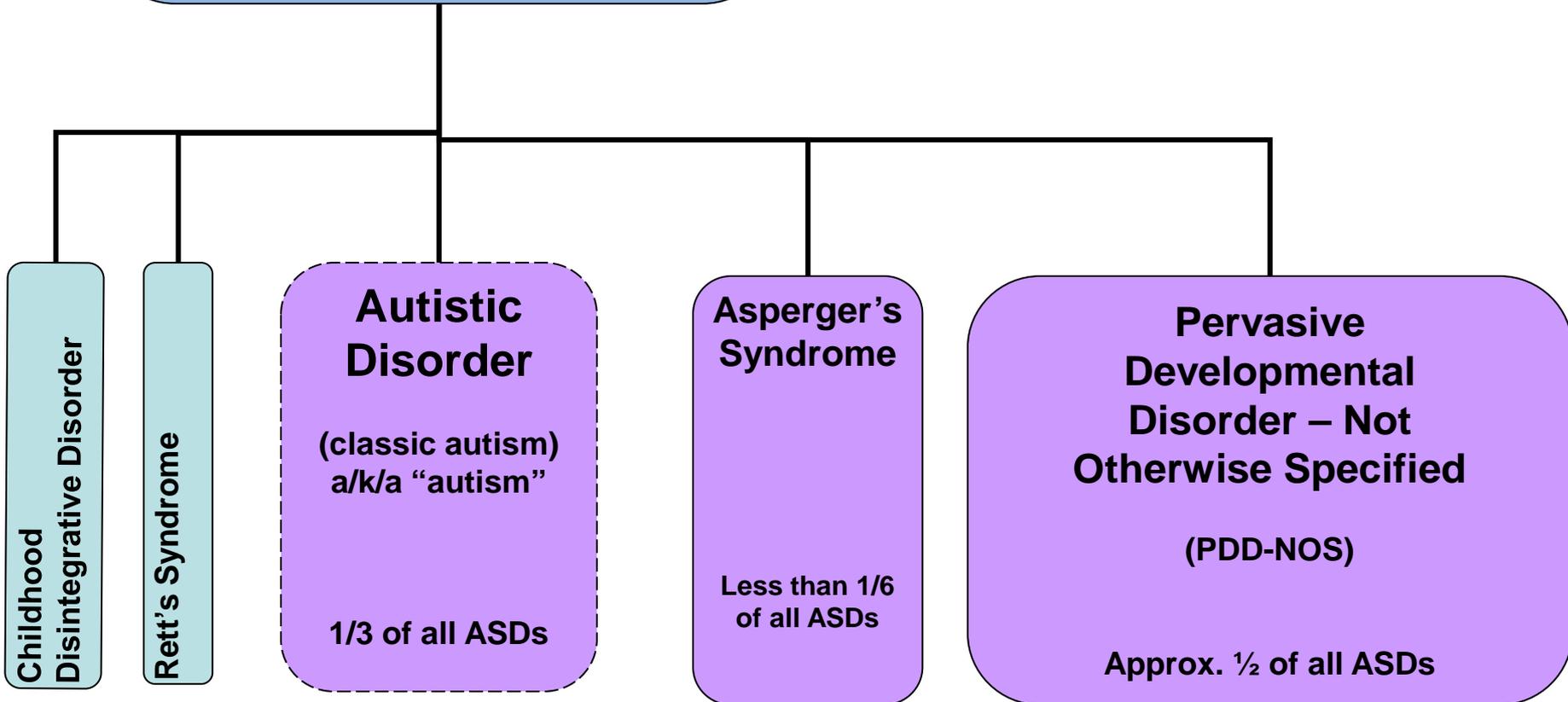
Lorri Unumb, Esq
Vice President
State Government Affairs
Autism Speaks

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.



Childhood
Disintegrative Disorder

Rett's Syndrome

Autistic Disorder

(classic autism)
a/k/a "autism"

1/3 of all ASDs

Asperger's Syndrome

Less than 1/6
of all ASDs

Pervasive Developmental Disorder – Not Otherwise Specified

(PDD-NOS)

Approx. 1/2 of all ASDs

ABA is the Standard of Care

United States Surgeon General

(1999)

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

Centers for Medicare and Medicaid

(2011)

*“...**controlled trials have shown both the efficacy** of programs based in the principles of ABA and that certain individual characteristics (age, IQ, and functional impairments) are associated with positive outcomes.”*

National Institute of Mental Health

(2011)

*“One type of a **widely accepted treatment** is applied behavior analysis (ABA). The goals of ABA are to shape and reinforce new behaviors, such as learning to speak and play, and reduce undesirable ones.”*



ABA is the Standard of Care

Centers for Disease Control and Prevention (2012)

*“A notable treatment approach for people with an ASD is called applied behavior analysis (ABA). ABA has become **widely accepted** among health care professionals...”*

NATIONAL INSTITUTE OF NEUROLOGICAL (2012) DISORDERS AND STROKE

*“Therapies and behavioral interventions are designed to remedy specific symptoms and **can bring about substantial improvement**... Therapists use highly structured and intensive skill-oriented training sessions to help children develop social and language skills, such as Applied Behavioral Analysis”*



ABA is the Standard of Care

AMERICAN PSYCHOLOGICAL ASSOCIATION (2012)

*“The field of applied behavior analysis has grown substantially in the past decade, enabling more children with autism and their families to obtain needed services. This growth appears to be related to an increase in the number of children diagnosed with an autism spectrum disorder and to the **recognition of the effectiveness of behavior analytic services.**”*

The U.S. Office of Personnel Management (2012)

*“The OPM Benefit Review Panel recently evaluated the status of Applied Behavior Analysis (ABA) for children with autism. Previously, ABA was considered to be an educational intervention and not covered under the FEHB Program. The Panel concluded that there is now **sufficient evidence to categorize ABA as medical therapy.** Accordingly, plans may propose benefit packages which include ABA.”*





June 20, 2012

Testimony of
Vera F. Tait MD, FAAP

On behalf of the
American Academy of Pediatrics

Before the
Subcommittee on Personnel,
Senate Armed Services Committee

● **“An example of a demonstrated, effective treatment for ASD is Applied Behavior Analysis, or ABA.** ABA uses behavioral health principles to increase and maintain positive adaptive behavior and reduce negative behaviors or narrow the conditions under which they occur. ABA can teach new skills, and generalize them to new environments or situations. ABA focuses on the measurement and objective evaluation of observed behavior in the home, school, and community. “



Applied Behavior Analysis: Sample Therapy Structure

- Consultant
 - Highly educated and trained
 - Board certified
 - Evaluates, designs, trains
- Mid-level supervisor (lead therapist)
 - Highly educated and trained
 - Updates programming; trains; oversees
- Line therapists
 - Trained & supervised by above
 - Provide 40 hours per week of direct therapy, usually in 3-hour shifts



Applied Behavior Analysis: Cost of a Sample Therapy Program

- Consultant
 - \$100-\$150/hour
 - 6 hours x \$150 = \$900/month
 - \$900 x 12 months = **\$10,800**
- Mid-level supervisor (lead therapist)
 - \$30-\$60/hour
 - 6 hours x \$60 = \$360/week
 - \$360/week x 52 weeks = **\$18,720**
- Line therapists
 - \$15 - \$30/hour
 - 40 hours x \$20 = \$800/week
 - \$800/week x 52 weeks = **\$41,600**
- **\$10,800 + \$18,720 + \$41,600 = \$71,120**



Cost Savings - *long term*

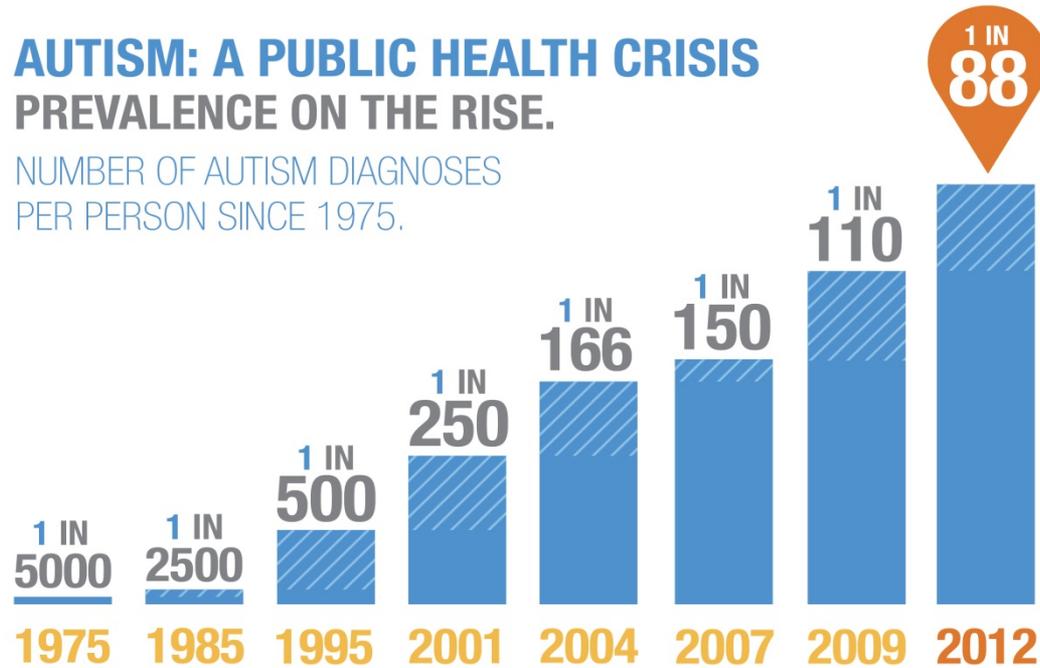
- **Without appropriate treatment**, the lifetime societal cost has been estimated to be **\$3.2 million** per child with ASD (Ganz, 2007)
 - special education
 - adult services
 - decreased productivity
- State estimated lifetime cost **savings** of providing appropriate treatment are \$1 million per child (Jacobsen et al, 1998)





AUTISM: A PUBLIC HEALTH CRISIS PREVALENCE ON THE RISE.

NUMBER OF AUTISM DIAGNOSES
PER PERSON SINCE 1975.

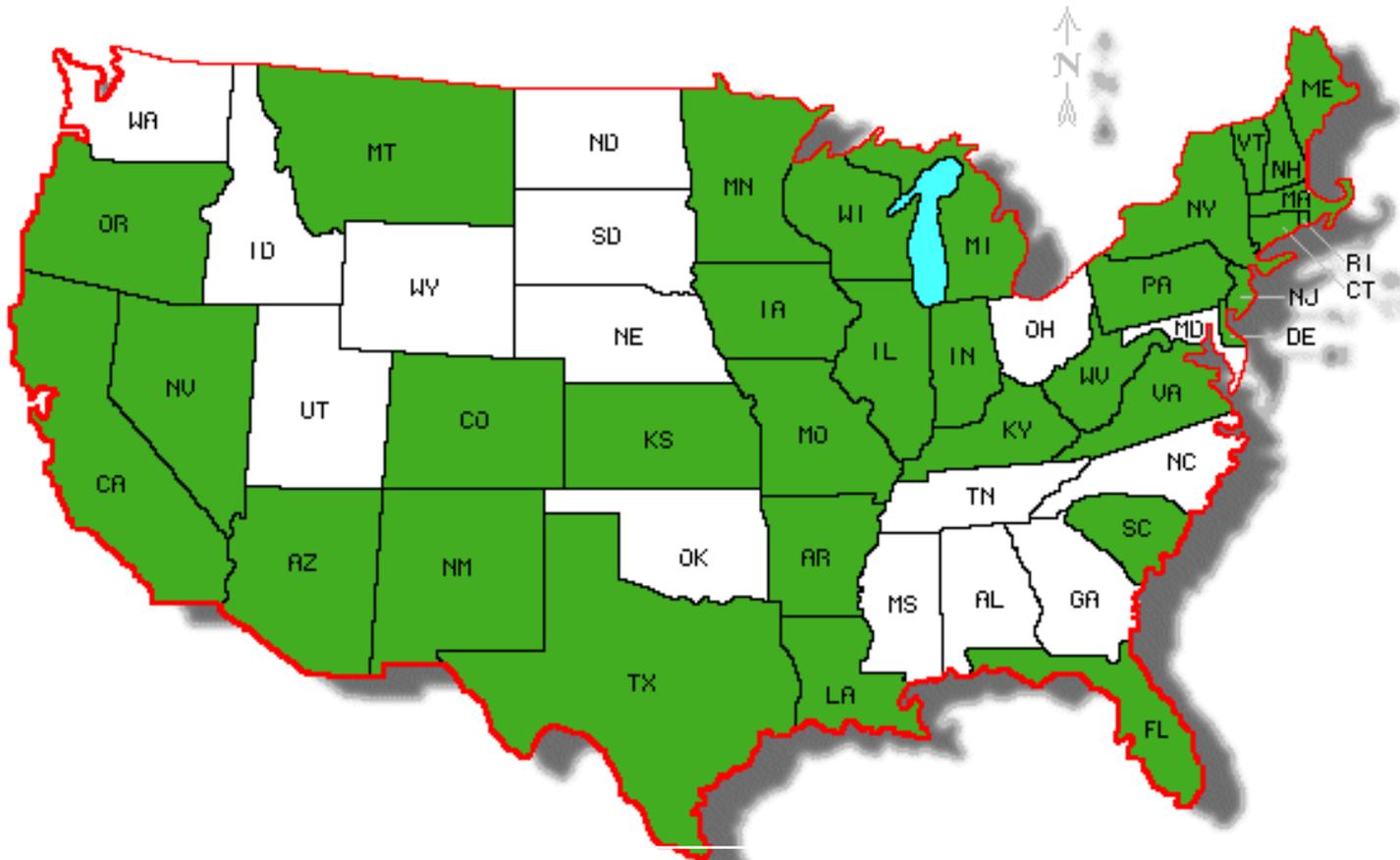


1000% INCREASE IN PREVALENCE OVER THE LAST 40 YEARS

 % INCREASE FROM PREVIOUS YEAR

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States with Autism Insurance Reform



2001 - Indiana

2009 - Colorado

2010 - Maine

2011 - Arkansas

2012 - Michigan

2007 - South Carolina

2007 - Texas

2009 - Nevada

2010 - Kentucky

2011 - West Virginia

2012 - Alaska

2008 - Arizona

2008 - Florida

2008 - Louisiana

2008 - Pennsylvania

2008 - Illinois

2009 - Connecticut

2009 - Wisconsin

2009 - Montana

2009 - New Jersey

2010 - Iowa

2010 - Vermont

2010 - Missouri

2010 - New Hampshire

2010 - Massachusetts

2011 - Virginia

2011 - Rhode Island

2011 - California

2011 - New York

2012 - Delaware

2013 - Minnesota

2013 - Oregon

South Carolina State Employee Plan



- Dates
 - Statute passed in 2007
 - Applicable to state health plan as of 1-1-09
- Population
 - State has 4.5 M
 - State health plan has 350-390,000 members
- Terms
 - \$50,000 cap on ABA
 - To age 16
- Projected Cost
 - Original: \$18.9 million
 - Revised: approx. \$10 million
- Actual cost
 - 2010: \$2,042,392
 - PMPM - 44 cents
 - (228,048 employees/subscribers)

Actual ABA Related Claims Data for 2012

Missouri

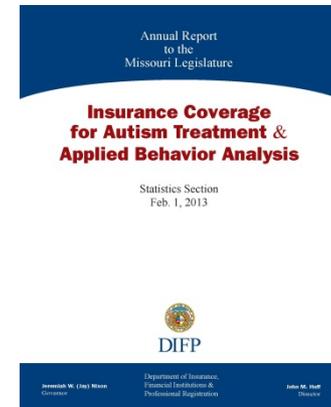


- Implemented Jan 2011
- Terms
 - \$40,000/yr (cap only applies to ABA)*
 - until age 18*

• Total ABA claims paid	=	\$2,972,712
• Total covered lives	=	1,149,845
• Unique claimants	=	3,805
• PMPM ABA Related	=	¢ 0.17

*

*Caps can be exceeded if deemed medically necessary



Effect on Premiums

Annual Report
to the
Missouri Legislature

Insurance Coverage for Autism Treatment & Applied Behavior Analysis

Statistics Section
Feb. 1, 2013



Jeremiah W. (Jay) Nixon
Governor

Department of Insurance,
Financial Institutions &
Professional Registration

John M. Huff
Director

- Claims incurred for ABA treatment of ASD represent **0.07% 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.”



The Cost of Autism Insurance Reform

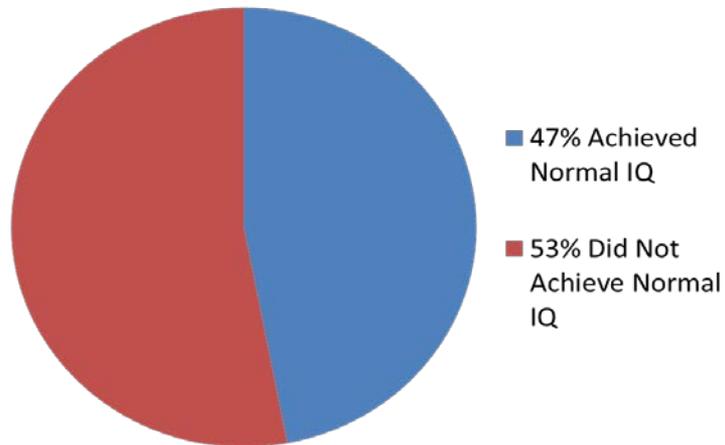
	Year of coverage	Number of covered lives	Total Claims Paid	PMPM cost
South Carolina	2	397,757	\$2,042,394	\$0.43
Illinois	2	170,790	\$197,290	\$0.10
Louisiana	2	149,477	\$722,828	\$0.40
Florida	2	386,203	\$1,748,849	\$0.38
Arizona	2	130,000	\$388,662	\$0.25
Missouri	2	1,429,153	\$6,555,602	\$0.38
Kansas	2	99,465	\$309,216	\$0.26
	Average second year cost			\$0.31

References: Data collected by Autism Speaks from State agencies responsible for administering State Employee Health Benefits Programs (2011); Missouri Department of Insurance, Financial Institutions and Professional Registration (2012); and the Kansas Department of Health and Environment (2012)

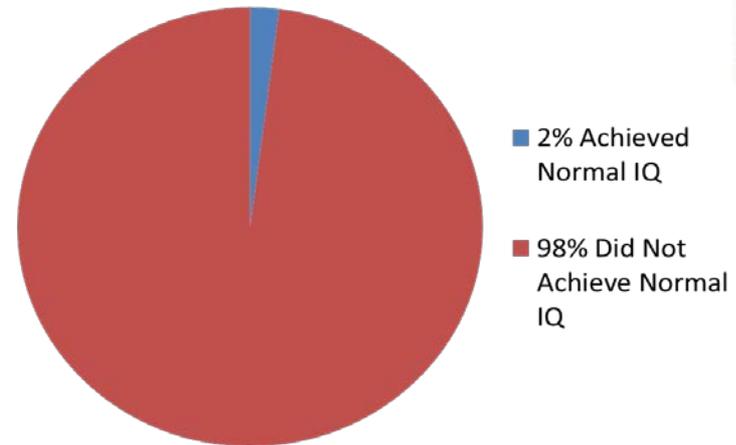
Savings to the State: Special Education

Outcome of 1987 UCLA Lovaas Study

ABA Group

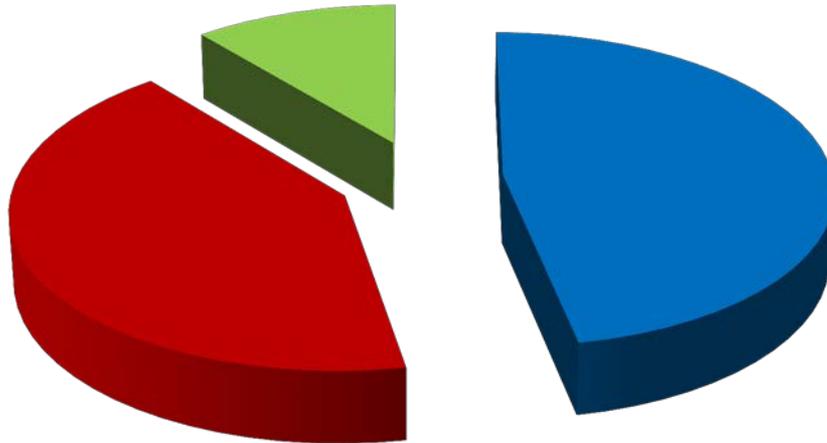


Other Intervention (Control) Group



Outcome of 1987 UCLA Study

Educational Placements for Group That Received ABA



- 47% = Mainstreamed with No Support
- 42% = Low-Intensity Special Education Placement (for language delay)
- 11% = High-Intensity Special Education Placement (for autism or intellectual disability)



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”?



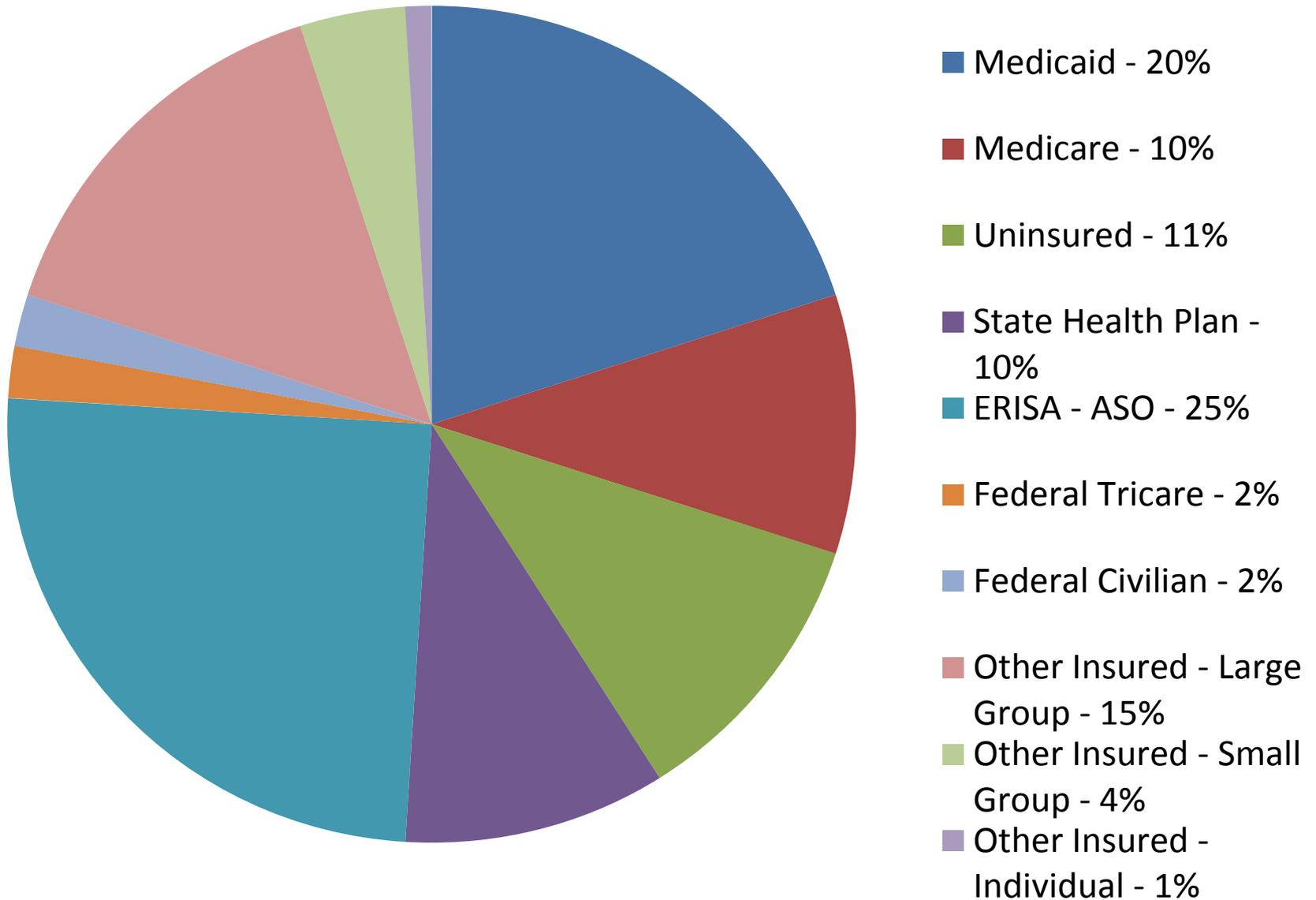
- False choice
- What does “educational in nature” mean?
- *Schools provide?*
- *Schools would provide if adequate resources?*
 - No obligation under IDEA or state law to treat medical condition
 - Schools are required to accommodate the disabling condition, not remedy it.
- Is speech therapy “educational in nature”? AAP report.
- *Provided by school personnel?*
- Academic goals
- ASD is diagnosed by a doctor, not a principal
- Argument du jour
 - Rejected in 30 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.”

Sources of Health Care Coverage



Self-Funded “ERISA” Plans That Cover ABA

- Arnold & Porter
- Eli Lilly
- Ohio State University
- Global Foundries
- Blackbaud
- Lahey Clinic
- Indiana University
- Partners Healthcare
- Wells Fargo
- Capitol One
- White Castle
- Pacific Gas & Electric
- CH2MHill
- Stanford University
- University of Minnesota
- Progressive Group
- Greenville Hospital System
- Symantec
- DTE Energy
- Cerner
- State Street Financial
- Children’s Mercy
- EMC
- Sisters of Mercy
- Princeton University
- Pinnacle Casinos
- Squire Sanders & Dempsey
- And many more . . .



NetApp™



Impact of 2008 Federal Mental Health Parity Law

- 2008 Wellstone-Domenici Act prohibits **treatment limitations** and **financial requirements** on “mental health benefits” if not on physical health benefits.
- Wellstone MHP law applies only to large group fully-funded and self-funded policies.
- Illinois, Iowa, Maine, Montana, New Hampshire, New Jersey explicitly and Connecticut, Florida, Kansas, Kentucky, Missouri implicitly include autism within their state definition of mental illness.
- All of these states except Florida have passed capped autism mandates since the passage of the Wellstone federal MHP law.

AUTISM AND MHP

- Nine states -- California, Illinois, Iowa, Maine, Massachusetts, Montana, New Hampshire, New Jersey and Virginia – explicitly list autism as a covered diagnosis in their MHP laws.
- Sixteen states -- Alabama, Arkansas, Connecticut, Florida, Georgia, Kansas, Kentucky, Minnesota, Mississippi, Missouri, Nebraska, New York, North Carolina, Rhode Island, Vermont and Washington -- include autism in their state MHP by reference to DSM.
- Seven states -- Colorado, Hawaii, Indiana, Louisiana, Oregon, Tennessee and Utah -- explicitly exclude autism in their MHP laws.
- Ten states -- Delaware, Idaho, Nevada, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Texas and West Virginia -- list the mental illnesses covered and the list does not include autism.
- Seven states -- Alaska, Arizona, Maryland, Michigan, New Mexico, North Dakota and Wisconsin -- have MHP laws but the statutes are not clear as to whether autism would be classified as a mental health condition.

Provider Credentials

www.BACB.com



The Behavior Analyst Certification Board, Inc.* (BACB*) is a nonprofit corporation established as a result of credentialing needs identified by behavior analysts, state governments, and consumers of behavior analysis services.

The BACB's mission is to develop, promote, and implement a voluntary international certification program for behavior analyst practitioners.

The BACB credentials Board Certified Behavior Analyst* (BCBA*) and Board Certified Assistant Behavior Analyst* (BCaBA*).



Behavior Analyst Licensure Laws



ND has state "certification"

Impact of Federal Health Care Reform

States are “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.

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

Federal Health Care Reform: Patient Protection & Affordable Care Act



Trying to get him to change "**Mental health and substance use disorder services**", one of ten covered services, to "**Mental health and substance use disorder services, including behavioral health treatments.**"

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

State Autism Insurance Reform & Exchanges

State	Year Enacted	State Population	Annual Dollar Cap	Age Cap	State E'ees?	Small Group?
Indiana	2001	6,484,000	None	None	Yes	Yes
South Carolina	2007	4,625,000	\$50K	16	Yes	No
Texas	2007	25,146,000	None thru 10; \$36K after	None	Some	Yes
Arizona	2008	6,392,000	\$50K: 0-8, \$25K: 9-16	16/17	Yes	No
Louisiana	2008	4,533,000	\$36K	<21	Yes	Yes*
Florida	2008	18,801,000	\$36K (\$200K lifetime)	<18	Yes	No
Pennsylvania	2008	12,702,000	\$36K	<21	Yes	No
Illinois*	2008	12,831,000	\$36K	<21	Yes	Yes
New Mexico*	2009	2,059,000	\$36K (\$200K lifetime)	19/22	Yes*	Yes
Montana	2009	989,000	\$50K: 0-8, \$20K: 9-18	18	Yes	Yes
Nevada	2009	2,701,000	\$36K	18/22	Yes	Yes
Colorado	2009	5,029,000	\$34K: 0-8, \$12K: 9-19	<20	Yes	Yes
Connecticut*	2009	3,574,000	\$50K: 0-8, \$35K: 9-12; \$25K: 13-14	<15	Yes	No
Wisconsin	2009	5,687,000	\$50K for 4 yrs, \$25K after	None	Yes	Yes
New Jersey*	2009	8,792,000	\$36K	21	Yes	Yes

State Autism Insurance Reform & Exchanges

State	Year Enacted	State Population ¹	Annual Dollar Cap	Age Cap	State E'ees?	Small Group?
Maine	2010	1,328,000	\$36K	<6	Yes	Yes
Kentucky	2010	4,339,000	\$50K: 0-7, \$1000/mo: 7-21	1-21	Yes	Yes
Kansas	2010	2,853,000	\$36K: 0-7, \$27K: 8-19	<19	Yes only	No
Iowa	2010	3,046,000	\$36K	<21	Yes only	No
Vermont	2010	626,000	None	21	Yes	Yes
Missouri	2010	5,989,000	\$40K	19	Yes	Yes
New Hampshire	2010	1,316,000	\$36K: 0-12, \$27K: 13-21	21	Yes	Yes
Massachusetts	2010	6,548,000	None	None	Yes	Yes
Arkansas	2011	2,916,000	\$50K	<18	Yes	Yes
West Virginia	2011	1,853,000	\$30K for 3 yrs; \$24K up to 18	3-18	Yes	Yes*
Virginia	2011	8,001,000	\$35K	2-6	Yes	No
Rhode Island	2011	1,053,000	\$32K	15	Yes	No
New York	2011	19,378,000	\$45K	None	Yes	Yes
California	2011	37,254,000	None	None	No	Yes

State Autism Insurance Reform & Exchanges

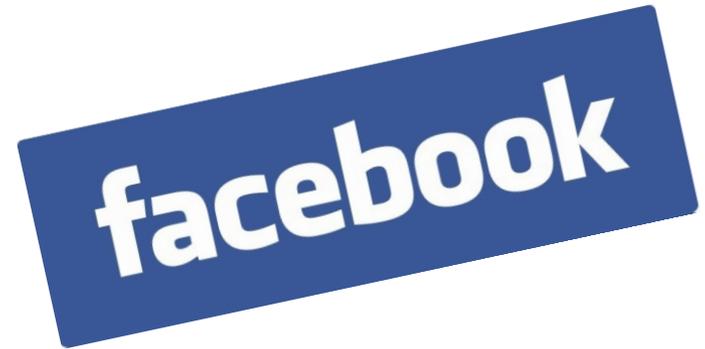
State	Year Enacted	State Population ¹	Annual Dollar Cap	Age Cap	State E'ees?	Small Group?
Michigan	2012	98,836,640	\$50K if <7, \$40K if 7-12, \$30K if 13-18	18	Maybe	Yes
Alaska	2012	722,718	None	21	Yes	>20
Delaware	2012	907,135	\$36,000	21	Yes	Yes
Minnesota	2013	5,303,925	None	18	Yes	No*
Oregon	2013	3,899,000	None (but ABA 25 hours per week)	No	Yes	Yes
D.C.	2013					



Plus Ohio due to executive action

Why Our Job Is Not Done

- May 27, 2010 at 5:08pm
- Subject: thanks
- I just wanted to say thank you for accomplishing what many people would not have attempted. I live in Charleston, SC. My husbands insurance is self funded so we are having to give up custody of our autistic 2 year old to my parents because their insurance is better. ABA is really helping and there is nothing I wouldn't do for him. You are inspirational to me and a hero. God bless you.





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

New York Times,
12/20/04

Why Single Out Autism?

