Recent Developments in Insurance Coverage for Individuals with Autism Spectrum Disorders

Interagency Autism Coordinating Committee
Washington, DC
July 10, 2012
Health Care in America

“a fundamental principle that here in America -- in the wealthiest nation on Earth -- no illness or accident should lead to any family’s financial ruin.”

Source: Remarks by President Obama on Supreme Court Ruling on the Affordable Care Act, June 28, 2012.
Health Care with Autism

Family Impacts among CSHCN with ASD Compared to CSHCN without ASD

- CSHCN whose conditions cause family to cut back or stop working
  - CSHCN w/ASD: 57.1%
  - CSHCN w/o ASD: 21.6%

- CSHCN whose families spend 11 or more hours per week providing care
  - CSHCN w/ASD: 29.9%
  - CSHCN w/o ASD: 10.9%

- CSHCN whose families pay more than $1,000 annually in out-of-pocket medical expenditures
  - CSHCN w/ASD: 33.5%
  - CSHCN w/o ASD: 21.2%

- CSHCN whose conditions cause financial problems for family
  - CSHCN w/ASD: 43.0%
  - CSHCN w/o ASD: 19.6%

- Family members(s) avoided changing jobs in order to maintain health benefits
  - CSHCN w/ASD: 30.6%
  - CSHCN w/o ASD: 16.5%

Data Source: 2009/10 NS-CSHCN

Types of Insurance Coverage

Total U.S. Children (0-18)

- Fully-Funded: 34.2%
- Self-Insured: 4.2%
- Individual: 1.6%
- Medicaid: 20.7%
- Other Public: 10.0%
- Uninsured: 29.3%

Autism Insurance Reform

• Fully Funded Plans (Employer-Sponsored and Individual)
  - State-based autism insurance reform
• Self-Funded Plans (regulated by ERISA)
  - More self-insured employers are adopting autism benefits
• Medicaid
  - Ongoing litigation over Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Program
• Public Plans (Federal and State)
  - OPM recognized ABA as medical therapy
  - Legislation to make behavioral health treatment for autism part of TRICARE basic plan
• Affordable Care Act
  - Behavioral Health Treatment as an Essential Health Benefit
State Autism Insurance Reform

Pre-2007
Indiana

2007
South Carolina
Texas

2008
Arizona
Florida
Louisiana
Pennsylvania
Illinois

2009
New Mexico
Montana
Nevada
Colorado
Connecticut
New Jersey
Wisconsin

2010
Kentucky
Maine
Vermont
Kansas
Iowa
Missouri
New Hampshire
Massachusetts

2011
Arkansas
West Virginia
Virginia
Rhode Island
California
New York

2012
Michigan
Alaska
Delaware
State Autism Insurance Reform

32 States Representing 75% of the US Population

Pre-2007
Indiana

2007
South Carolina
Texas

2008
Arizona
Florida
Louisiana
Pennsylvania
Illinois

2009
New Mexico
Montana
Nevada
Colorado
Connecticut
New Jersey
Wisconsin

2010
Kentucky
Maine
Vermont
Kansas
Iowa
Missouri
New Hampshire
Massachusetts

2011
Arkansas
West Virginia
Virginia
Iowa
Rhode Island
California
New York

2012
Michigan
Alaska
Delaware
Post-ACA Enacted Laws (17 states)

Pre-2007
Indiana

2007
South Carolina
Texas

2008
Arizona
Florida
Louisiana
Pennsylvania
Illinois

2009
New Mexico
Montana
Nevada
Colorado
Connecticut
New Jersey
Wisconsin

2010
Kentucky
Maine
Vermont
Kansas
Iowa
Missouri
New Hampshire
Massachusetts

2011
Arkansas
West Virginia
Virginia
Iowa
Rhode Island
California
New York

2012
Michigan
Alaska
Delaware
State Expansion Laws (4 states)

Pre-2007
Indiana

2007
South Carolina
Texas

2008
Arizona
Florida
Louisiana
Pennsylvania
Illinois

2009
New Mexico
Montana
Nevada
Colorado
Connecticut
New Jersey
Wisconsin

2010
Kentucky
Maine
Vermont
Kansas
Iowa
Missouri
New Hampshire
Massachusetts

2011
Arkansas
West Virginia
Virginia
Rhode Island
California
New York

2012
Michigan
Alaska
Delaware
Self-Funded Plans with Autism Benefit

- Microsoft
- Home Depot
- Intel
- Capital One
- Eli Lilly
- Deloitte
- The Ohio State University
- Mayo Clinic
- HealthCentral
- Lexington Medical Center
- University of Minnesota
- Harvard University

- Progressive Group
- Time Warner
- City of Atlanta
- Oracle
- Adobe Systems
- Yahoo!
- Cisco
- DTE Energy
- Princeton University
- Children's Mercy
- Aspect Software
- Partners Healthcare
Medicaid Litigation

- Medicaid mandated, optional, and waiver services provide a range of benefits to individuals with ASD.
- Recent cases have focused on ABA as a benefit under the EPSDT Program:
  - *Parents League for Effective Autism Services v. Jones-Kelley* (2009), the U.S. Court of Appeals for the Sixth Circuit affirmed a lower court ruling that ABA was a covered service under EPSDT.
  - *K.G. v. Dudek* (2012), the U.S. District Court for the Southern District of Florida found that ABA was a required treatment service under EPSDT, rejecting the state’s argument that ABA is experimental under Florida law.
Federal Employees Health Benefits (FEHB) Program

- Office of Personnel Management (OPM) provides health insurance coverage to eight million federal employees, retirees, and dependents through FEHB.
- OPM Benefit Review Panel concluded sufficient evidence exists to categorize ABA as a medical therapy, not just an “educational intervention.”
- In April 2012, OPM issued guidance to insurers who participate in the FEHB Program for policies that will be renewed or issued starting in 2013.
- OPM decision does not require the insurers to cover ABA, but rather allows them to offer the coverage as it does many other medical treatments.
TRICARE Autism Benefit

• Currently, autism behavioral benefits are capped at $36,000/year and restricted to active duty military personnel through ECHO Program.

• Caring for Military Kids with Autism Act (H.R. 2288) introduced to make medically necessary behavioral health treatments available to all military dependents through basic TRICARE program.

• Amendment to National Defense Authorization Act (NDAA) approved by the House in May 2012.

• Senate Armed Services Subcommittee on Personnel held a hearing on June 21st to consider coverage issues. Floor vote on the Senate version of NDAA is pending.
Affordable Care Act (ACA)

- Coverage for certain preventive services are required: screening for autism, developmental delays, and other disabilities.
- Prohibits denials based on preexisting conditions.
- Dependents can remain on parents’ health plan until age 26.
- Essential Health Benefits (EHB) must include “Mental health and substance use disorder services, including behavioral health treatment.”
Future ACA Challenges

In 2014 state health exchanges will begin operation. Uncertainties remain about the quality of care exchange plans will provide to people with ASD:

- Habilitative services, a part of the EHB, are not defined.
- States must defray the cost of benefits mandated after 2011 that are part of exchange plans.
- Notwithstanding congressional intent, coverage of behavioral treatment for autism has not been resolved.