

- SUBJECT:** Requiring health benefit plan coverage for enrollees with autism
- COMMITTEE:** Insurance — favorable, without amendment
- VOTE:** 6 ayes — Smithee, G. Bonnen, Morrison, Muñoz, Sheets, Taylor
0 nays
3 absent — Eiland, Creighton, C. Turner
- SENATE VOTE:** On final passage, May 1 — 18-13 (Birdwell, Estes, Fraser, Hancock, Hegar, Huffman, Nelson, Nichols, Patrick, Paxton, Schwertner, Taylor, Williams)
- WITNESSES:** For — Jon Hockenyos; Anna Petursdottir, Texas Association for Behavior Analysis; Rebecca Yerly; (*Registered, but did not testify:* Patricia Kolodzey, Texas Medical Association; Steve Ross)

Against — (*Registered, but did not testify:* Kathy Barber, National Federation of Independent Businesses/Texas)

On — Doug Danzeiser, Texas Department of Insurance
- BACKGROUND:** Insurance Code, sec. 1355.015, requires that health benefit plans provide coverage to an enrollee who is diagnosed with autism spectrum disorder from the date of their diagnosis until the child turns 10 years old. Health benefit plans are not required to continue to cover generally recognized services after a diagnosed enrollee turns 10 years old, but they may choose to do so.
- DIGEST:** SB 1484 would require that if a health benefit plan enrollee was diagnosed with autism spectrum disorder before the child's 10th birthday, the plan would provide coverage of generally recognized services without consideration of the enrollee's age.

The health benefit plan would not be required to provide coverage for applied behavior analysis beyond \$36,000 per year for enrollees 10 years of age and older.

SB 1484 would exempt health benefit plans from the bill's expanded autism coverage requirement if its inclusion would require the state to make additional payments under the federal Patient Protection and Affordable Care Act (ACA), which, beginning January 1, 2014, will require states to pay the cost of any mandated coverage that exceeds that state's chosen essential health benefits benchmark plan for individual and small group plans.

This bill would take effect September 1, 2013, and would apply to health benefit plans issued or renewed on or after this date.

**SUPPORTERS
SAY:**

SB 1484 would create large savings for families, insurance companies, businesses, and taxpayers. Individuals whose autism goes untreated tend to be much more limited in their educational achievement and workforce participation and at a higher risk of relying on state services. According to Autism Speaks, the lifetime societal cost of an autistic child has been estimated to be \$3.2 million without appropriate treatment. All things considered, the cost of paying for treatment is much less than the cost of not paying for it.

Even at the outset, SB 1484 would not be costly. According to the Texas Department of Insurance, the projected expense of the current autism mandate for small group health insurance will be \$1.15 per member per month in 2014. States such as Missouri, which has enacted legislation similar to SB 1484, have continued autism coverage for only 38 cents per member per month. Moreover, the bill would specifically prevent any costs being imposed on the state due to the essential health benefits requirement of the ACA.

The bill would be a justified extension of health coverage to address a growing public health crisis. Autism spectrum disorder now affects more than 1 percent of all U.S. schoolchildren. Requiring that health plans cover its treatment would help these individuals live fulfilling lives of independence and self-determination.

**OPPONENTS
SAY:**

SB 1484 would be an expensive government mandate in the health care market. By requiring autism treatment coverage over an enrollee's lifetime, rather than during their first 10 years, the bill could raise insurance premiums and cause more individuals and companies to drop their coverage.

SB 1484's coverage of adolescent and adult autism spectrum disorder treatment would be limited in its effectiveness. Autism treatment is increasingly successful the earlier it is begun. For example, two-thirds of the lifetime costs of an undiagnosed autistic child can be reduced through early diagnosis and intensive therapy. Although the bill would extend coverage only to enrollees diagnosed by age 10, it would require a lifetime of expensive treatment with decreasingly successful health outcomes.

SB 1484 would be poorly timed. Due to the ACA, the health care system is currently undergoing its biggest changes in decades. Expanding a mandate now would increase uncertainty and should be considered only after the health insurance market has stabilized.

Texas' essential health benefits benchmark plan will cover only currently mandated autism treatment up to age 10. Depending on the federal government's methodology and speed of implementation, it could determine that the bill's coverage expansion exceeded the essential health benefits, in which case SB 1484 would make no changes to qualified health plans in the ACA's health benefit exchanges.

NOTES:

According to the Legislative Budget Board (LBB), the bill would have no significant fiscal implication to the state. Increased plan costs likely would be passed along through increased premiums to beneficiaries or employers. At the local government level, the LBB projects this would result in a cost of around \$44 million during fiscal 2014-15 to the Teacher Retirement System's ActiveCare health insurance plan, which school districts and/or plan beneficiaries would have to pay.