



The Fiscal Impact of Autism Insurance Reform

Recognizing the importance of early intervention for Autism Spectrum Disorders (ASD), 29 states have enacted autism insurance reform laws. Each of these states require that health insurance cover medically necessary treatment for ASD including behavioral health treatments such as Applied Behavior Analysis (ABA).

In order to determine the fiscal impact of autism insurance reform, Autism Speaks is collecting claims data from states where such laws apply to members of the state employee health plan and have been in effect for at least one year.

Interpretive Summary

1. Autism insurance reform laws have been in effect for at least one year in 15 states. Twelve of these states require coverage for members of their state employee health plan. The terms of coverage vary and are detailed in Appendix 1.
2. Claims data has been requested from all 12 states. Data has been received from 6 states and is presented in Appendix 2.
3. Claims data is available from the first year of implementation in 5 states (i.e., SC, IL, FL, AZ and KY). The first year costs of coverage range from \$0.09 per member per month (PMPM) to \$0.30 PMPM. The average first year cost of coverage is \$0.15 PMPM. (Table 1)
4. Claims data is available from the second year of implementation in 5 states (i.e., SC, IL, LA, FL and AZ). The second year costs of coverage range from \$0.10 PMPM to \$0.43 PMPM. The average second year cost of coverage is \$0.31 PMPM. (Table 2)
5. Minnesota has not enacted autism insurance reform. However as a result of a settlement of litigation against Blue Cross and Blue Shield of Minnesota, they have been required to cover unlimited treatment for ASD since 2001. After 6 years, the premium impact on the commercial market resulting from unlimited coverage for ASD was \$0.83 PMPM. (BCBS Minnesota)
6. Fiscal notes were prepared for the legislatures in 5 of the states where we have been able to obtain claims data. These cost projections were prepared for fiscal or calendar years that correspond to available claims data in 3 states. Fiscal projections overestimated the actual cost of autism insurance reform by 293% to 1,261%. (Table 3)

Table 1. Year One Costs

	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

Table 2. Year Two Costs

	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

Table 3. Projected versus 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%

Appendix 1. Terms of Coverage

	Bill Number	Statute	Date Enacted	Date Implemented	Terms of Coverage	Applicable to SEHP?
Indiana	HB 1122	Indiana Code 27-8-14.2	5/3/01	5/3/01	unlimited	YES
Texas	HB 1919		6/15/07	1/1/08	unlimited age 0-6	NO
	HB 451		6/19/09	1/1/10	unlimited age 0-10	
South Carolina	S 20		6/7/07	7/1/08	\$50,000* age 0-16	YES
Illinois	SB 934	Public Law 095-1005	12/13/08	12/12/08	\$36,000/yr age 0-21	YES
Louisiana	HB 958	Act 648	7/2/08	1/1/09	\$36,000/yr age 0-17	YES
Florida	SB 2654	Florida Statute s. 627.6686	5/2/08	4/1/09	\$36,000/yr age 0-19	YES
New Mexico	SB 39		4/2/09	6/19/09	\$36,000/yr age 0-21	NO
Arizona	SB 1263	A.R.S. § 20-181 A.R.S. § 20-182	3/21/08	7/1/09	\$50,000/yr* age 0-8 \$25,000/yr* age 9-16	YES
Pennsylvania	HB 1150		7/9/08	7/1/09	\$36,000/yr age 0-21	YES
Wisconsin	AB 75	sec. 3197 w. on page 596 of Act 28	10/19/09	11/1/09	\$50,000 for 4 yrs; \$25,000 thereafter	YES
Connecticut	SB 301	Public Act 09-115	6/9/09	1/1/10	\$50,000/yr* age 0-9 \$35,000/yr* age 9-12 \$25,000/yr* age 13-14	YES
Montana	SB 234		5/5/09	1/1/10	\$50,000/yr age 0-8 \$20,000/yr age 9-18	YES
New Jersey	S 1651		8/13/09	2/9/10	\$36,000/yr* age 0-21	YES
Kentucky	HB 159		4/14/10	5/14/10	\$50,000/yr age 0-7 \$1,000/mo age 7-21	YES
Colorado	SB 09-244	C.R.S. 10-16-104	6/2/09	7/1/10	\$34,000/yr* age 0-8 \$12,000/yr* age 9-19	NO

Appendix 2. Claims Data

	Date Implemented	Terms of Coverage	Date of Claims Data	Year	Number of Covered Lives	Total Claimants with ASD Diagnosis	Total Claims	PMPM cost	Source	Fiscal Note from State Legislature
South Carolina	7/1/08	\$50,000* age 0-16	CY 2009	1	371,384	60	\$856,369	\$0.19	APS Healthcare	\$10,590,000 per year South Carolina Budget and Control Board
			CY 2010	2	397,757	80	\$2,042,394	\$0.43		
Illinois	12/12/08	\$36,000/yr age 0-21	CY 2009	1	171,979	2,420 (?)	\$187,684	\$0.09	Illinois Department of Healthcare and Family Services	NA
			CY 2010	2	170,790	3,314 (?)	\$197,290	\$0.10		
Louisiana	1/1/09	\$36,000/yr age 0-17	CY 2009	1	NA	NA	NA	NA	Louisiana Office of Group Benefits	\$2,118,307 - \$2,686,796 (FY 10-11) Louisiana Legislative Fiscal Office
			CY 2010	2	149,477	386	\$722,828	\$0.40		
Florida	4/1/09	\$36,000/yr age 0-19	07/01/2009 - 06/30/2010	1	382,083	372	\$390,724	\$0.09	Florida Department of Management Services	"difficult to assess" The Professional Staff of the Florida Banking and Insurance Committee
			07/01/2010 - 06/30/2011	2	386,203	511	\$1,748,849	\$0.38		
Arizona	7/1/09	\$50,000/yr* age 0-8 \$25,000/yr* age 9-16	07/01/2009 - 06/30/2010	1	130,000	257	\$473,818	\$0.30	Arizona Department of Administration	\$2.5 - \$4.9 million (FY 2010) Jorgensen/Zylla for Arizona Legislature
			07/01/2010 - 06/30/2011	2	130,000	187	\$388,662	\$0.25		
Kentucky	5/14/10	\$50,000/yr age 0-7 \$1,000/mo age 7-21	May 2010 - April 2011	1	240,000	NA	\$278,922	\$0.10	Kentucky Department of Employee Insurance	\$4,000,000 (FY 2012) Kentucky Legislative Research Commission

* monetary cap applies only to Applied Behavior Analysis