The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Health Policy Committee

BILL: CS/CS/SB 2654

INTRODUCER: Health Policy Committee; Banking and Insurance Committee; and Senator Geller and others

SUBJECT: Autism Spectrum Disorder

DATE: April 3, 2008 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Knudson	Deffenbaugh	BI	**Fav/CS**
2.	Garner	Wilson	HP	**Fav/CS**
3.			HA	
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE..... [X] Statement of Substantial Changes
B. AMENDMENTS........................ [ ] Technical amendments were recommended
[ ] Amendments were recommended
[ ] Significant amendments were recommended

I. Summary:

Committee Substitute for CS/SB 2654 requires large group health insurance plans to provide coverage for diagnostic screening, intervention, and treatment of autism spectrum disorder in children through speech therapy, occupational therapy, physical therapy, applied behavior analysis, treatment by a psychiatrist or psychologist, and any other necessary medical care. Health insurance plans may not deny, refuse to issue or reissue coverage, terminate, or restrict coverage because an individual is diagnosed with autism spectrum disorder.

To be eligible for benefits and coverage, an individual must be diagnosed with an autism spectrum disorder at 8 years of age or younger. Benefits and coverage must be provided to eligible persons who are under 18 years of age or who are in high school. Coverage may not be subject to dollar limits, deductibles, or coinsurance provisions that are less favorable than those applied to covered physical illnesses under the health plan. Benefits may not be denied on the basis that provided services are habilitative in nature. However, coverage for behavioral therapy is subject to a maximum benefit of $36,000 per year. Beginning January 1, 2010, the $36,000 maximum benefit is to be adjusted annually on that date to reflect annual changes in the medical

inflation component of the Consumer Price Index. All coverage for autism spectrum disorders may be subject to other general exclusions and limitations of the insurer's policy or plan.

The act is effective January 1, 2009, and applies to health insurance policies or plans issued, renewed, entered into, or delivered on or after that date.

The bill amends s. 1004.55, F.S. The bill creates s. 627.6686, F.S., and one undesignated section of law.

II. Present Situation:

Currently, the Florida Statutes do not mandate the treatment of autism spectrum disorder by health insurers or health maintenance organizations.

What is Autism?

Autism is a term used to describe a group of complex developmental disabilities that many researchers believe are the result of a neurological disorder that affects the functioning of the brain. Autistics often have problems communicating with others through spoken language and non-verbal communication. Autism is classified as a developmental disability because it interferes with the typical rate and pattern of childhood development. The signs of autism usually appear in the form of developmental delays before a child turns 3 years old.
Section 393.063(3), F.S., defines autism to mean ". . .a pervasive, neurologically based developmental disability of extended duration which causes severe learning, communication, and behavior disorders with age of onset during infancy or childhood. Individuals with autism exhibit impairment in reciprocal social interaction, impairment in verbal and nonverbal communication and imaginative ability, and a markedly restricted repertoire of activities and interests."

According to the Diagnostic and Statistical Manual of Mental Disorders, 4th Edition (DSM-IV), published by the American Psychiatric Association, autism is classified as one of the pervasive developmental disorders, which is:

> "…Characterized by severe and pervasive impairments in several areas of development. This section contains autistic disorder, Rett's Disorder, Childhood Disintegrative Disorder, Asperger's Disorder, and Pervasive Developmental Disorder Not Otherwise Specified."

The various forms of autism are referred to as the autism spectrum disorders (ASD), meaning that autism can be manifested in a wide variety of combinations, from mild to severe. Thus, many different behaviors can indicate that a person should be diagnosed as autistic. According to the National Institute of Mental Health (NIMH),[1] the pervasive developmental disorders, or

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[1] Department of Health and Human Services, National Institutes of Mental Health. *Autism Spectrum Disorders: Pervasive Developmental Disorders, With Addendum.* January 2007. Found at: http://www.nimh.nih.gov/health/publications/autism/nimhautismspectrum.pdf (last visited on April 2, 2008)

ASD, range from a severe form, called autistic disorder, to a milder form, Asperger's syndrome.[2] If a child has symptoms of either of these disorders, but does not meet the specific criteria for either, the diagnosis is called pervasive developmental disorder not otherwise specified (PDD-NOS). Other rare, very severe disorders that are included in the autism spectrum disorders are Rett syndrome[3] and childhood disintegrative disorder.[4] The National Institute for Mental Health (NIMH), states that all children with an ASD demonstrate deficits in:

- *Social Interaction* – Most ASD children have difficulty learning to engage in everyday human interaction. Children with an ASD are also slower in understanding subtle social cues (non-verbal communication) and thus struggle to interpret what others are thinking and feeling. This causes them to often find social interaction confusing and frustrating. It is also common for people with ASD to have difficulty controlling their emotions. Examples include episodes of disruptive behavior such as crying or verbal outbursts at inappropriate times or physical aggression. Autistics often can lose self control when exposed to a strange or overwhelming environment or when angry or frustrated.
- *Verbal and nonverbal communication* – Autistics have difficulty developing standard communication skills. Some children with ASD remain mute, while others do not develop language until ages 5 to 9. Others use language in unusual ways or utilize sign language or pictures to communicate. The body language of autistics can be difficult to understand as it can be at variance with the words they are saying. As they grow older, persons with ASD often become more aware of their difficulties in communication, which can lead to anxiety or depression.
- *Repetitive behaviors or interests* – Children with ASD often perform odd repetitive motions that set them apart from their peers. For example, some children and adults repeatedly flap their arms or walk on their toes while others freeze in position. ASD children exhibit the need for consistency in their environment. Changes in daily routines—such as mealtimes, dressing, bathing, going to school at a certain time and by the same route—can cause autistics to become extremely disturbed. As children, they might spend hours lining up their toys in a certain way and if the toys are moved become

[2] The NIMH states that children with Asperger's disorder are similar to high-functioning children with autism in that their language and intelligence remain intact. Like autistic children, persons with Asperger's have repetitive behaviors, severe social problems, and clumsy movements. The symptoms of Asperger's usually appear later in childhood than those of autism.

[3] NIMH provides the following explanation of Rett Syndrome: Rett syndrome is relatively rare, affecting almost exclusively females, one out of 10,000 to 15,000. After a period of normal development, sometime between 6 and 18 months, autism-like symptoms begin to appear. The little girl's mental and social development regresses—she no longer responds to her parents and pulls away from any social contact. If she has been talking, she stops; she cannot control her feet; she wrings her hands. Some of the problems associated with Rett syndrome can be treated. Physical, occupational, and speech therapy can help with problems of coordination, movement, and speech.

[4] The NIMH provides the following explanation of childhood disintegrative disorder: Very few children who have an autism spectrum disorder (ASD) diagnosis meet the criteria for childhood disintegrative disorder (CDD). An estimate based on four surveys of ASD found fewer than two children per 100,000 with ASD could be classified as having CDD. This suggests that CDD is a very rare form of ASD. It has a strong male preponderance. Symptoms may appear by age 2, but the average age of onset is between 3 and 4 years. Until this time, the child has age-appropriate skills in communication and social relationships. The long period of normal development before regression helps differentiate CDD from Rett syndrome. The loss of such skills as vocabulary are more dramatic in CDD than they are in classical autism. The diagnosis requires extensive and pronounced losses involving motor, language, and social skills. CDD is also accompanied by loss of bowel and bladder control and oftentimes seizures and a very low IQ.

upset. Additionally, autistics often form intense, obsessive preoccupations with certain objects or topics on which they focus much of their energy.

Another common difficulty is that children with ASD will often have unusual responses to sensory experiences, such as certain sounds or the way objects look. Each of these symptoms runs the gamut from mild to severe. They will present in each individual child differently.

Diagnostic and Treatment Approaches

Much of the scientific and clinical evidence indicates that early treatment of autism during preschool years (ages 3 to 5) often yields very positive effects in mitigating the effects of autism spectrum disorders. Accordingly, early diagnosis is considered very important. Diagnosis often takes place in two stages. First, children are screened for the developmental disorders by pediatricians who use screening tests based in large part on the observations of parents. If the screening tests indicate the possibility of an ASD, then further comprehensive testing is performed. Comprehensive tests using health care practitioners from multiple disciplines (psychologists, psychiatrists, neurologists, speech therapists, and other professions with experience in diagnosing children with ASD) perform testing to evaluate the child in depth and determine if there is a developmental disorder, and if so, render a diagnosis.

Treatment – According to the National Institute of Neurological Disorders and Stroke (NINDS), therapies for autism are designed to remedy specific symptoms.[5] Educational and behavioral interventions are highly-structured and usually aimed at the development of skills such as language and social skills. Medication may be prescribed to reduce self-injurious behavior or other behavioral symptoms of autism. Early intervention is important for children because children learn most rapidly when they are very young. If begun early enough, such intervention has a chance of favorably influencing brain development. In a 2001 report, the Commission on Behavioral and Social Sciences and Education recommended that treatment "services begin as soon as a child is suspected of having an autistic spectrum disorder. Those services should include a minimum of 25 hours a week, 12 months a year, in which the child is engaged in systematically planned, and developmentally appropriate educational activity toward identified objectives."[6]

The Center for Autism and Related Disabilities provided the following information concerning the application of speech-language therapy, occupational therapy, and physical therapy for individuals with autism:

- *Speech-Language Therapy:* People with autism usually have delays in communication. Speech therapists look for a system of communication that will work for an individual with autism and may consider alternatives to the spoken word such as signing, typing, or a picture board with words.

[5] http://www.ninds.nih.gov/disorders/autism/autism.htm#Is_there_any_treatment (last visited on April 2, 2008)
[6] Commission on Behavioral and Social Sciences and Education, *Educating Children with Autism* 6, 2001. Found at: http://www.nap.edu/openbook.php?record_id=10017&page=66 (last visited on April 2, 2008)

- *Occupational Therapy:* Commonly this therapy focuses on improving fine motor skills, such as brushing teeth, feeding, and writing, or sensory motor skills that include balance, awareness of body position, and touch.
- *Physical Therapy:* This therapy specializes in developing strength, coordination, and movement.

According to the NIMH, a number of treatment approaches have evolved in the decades since autism was first identified. These approaches include developmental, behaviorist, and nonstandard. Developmental approaches provide consistency and structure along with appropriate levels of stimulation. Behaviorist training approaches are based on rewarding individuals for a certain type of behavior. Dr. Ivar Lovaas pioneered the use of behaviorist methods for children with autism more than 25 years ago. Lovaas therapy involves time-intensive, highly structured, repetitive sequences in which a child is given a command and rewarded each time he responds correctly. Using this approach for up to 40 hours a week, some children may be brought to the point of near-normal behavior. Others are much less responsive to the treatment. However, some researchers and therapists believe that less intensive treatments, particularly those begun early in a child's life, may provide the same level of efficacy.

Florida State Employee Coverage for the Treatment of Autism

The Florida State Employees' Preferred Provider Organization (PPO) and the Health Maintenance Organization (HMO) provide coverage for the diagnosis and limited medical treatment (including prescription drugs), for autism, Asperger's syndrome, and other pervasive developmental disorders. Under both the PPO and HMO plans, all covered therapies must be accompanied by a written treatment plan and the covered person's condition is expected to improve significantly within 60 days. The PPO and the HMO generally exclude coverage for experimental or investigational treatments, custodial care, non-prescription drugs, and training and educational services (except for diabetes self-management training and educational services, pursuant to s. 627.6408, F.S.).

State Employees' PPO Plan
According to the Division of State Group Insurance, the PPO Plan provides treatment for mental and nervous disorders, subject to the following limitations:

- Inpatient services provided by a network hospital, specialty institution, residential facility, or any other facility are limited to 31 days per calendar year;
- Inpatient services provided by a non-network facility are only available to the active employee (if such services are requested by the employing agency and approved by the Division of State Group Insurance) and are limited to the same 31 days per calendar year described above;
- Services rendered by a licensed psychologist or a licensed mental health professional, as defined in s. 490.003, F.S., are covered when providing medically necessary covered services; and
- Outpatient services provided by a specialty institution are only available for substance abuse.

Physical therapy coverage is limited to four modalities per treatment day and 21 treatment days during any 6-month period.

State Contracted HMO Plan
For the State Employees' HMO contract, treatment for mental and nervous disorders are considered covered benefits, if provided to the covered person by a licensed mental health provider, subject to the following limitations:

- Inpatient confinement in a hospital, specialty institution, or residential facility for the treatment of a mental or nervous disorder, if authorized by the HMO. Coverage includes visits from licensed mental health providers during confinement. Coverage is limited to up to 31 days per calendar year; and
- Outpatient treatment rendered by a licensed mental health provider and medical doctors licensed under chapter 458, F.S., and doctors of osteopathy licensed under chapter 459, F.S., for a mental and nervous disorder, including diagnostic evaluation and psychiatric treatment, individual therapy, and group therapy. Coverage is limited to 26 visits per calendar year.

For State contracted HMOs, mental and nervous disorders treatment is *not a covered benefit* if:

- Rendered in connection with a condition not classified in the DSM-IV;
- Extended beyond the period necessary for evaluation and diagnosis of learning and behavioral disabilities or for mental retardation;
- Provided for marriage counseling;
- Provided pursuant to a court order for care or testing or required as a condition of parole or probation; or
- Provided for the purpose for testing for aptitude, ability, intelligence or interest.

Also, under the State Employees' HMO contract, rehabilitative services (including physical and speech therapy) are covered with limitations. The covered person's primary care physician or the HMO must specifically approve a written plan of treatment and agree that the covered person's condition should improve significantly within 60 days of the date therapy begins. Coverage includes services for the purpose of aiding in the restoration of normal physical function. Rehabilitative services provided while the covered person is confined to a hospital shall be covered for the duration of the hospital confinement. Outpatient rehabilitative services are limited to 60 visits per injury. Rehabilitative services do *not include*:

- Services or supplies provided to a covered person as an inpatient in a hospital or other facility, where the admission is primarily to provide rehabilitative services;
- Services or supplies that maintain rather than improve a level of physical function, or where it has been determined that the services shall not result in significant improvement in the covered person's condition within a 60-day period; or
- Other therapy types including recreational, educational, marital, or sleep therapy.

Private Sector Coverage of Autism

Many insurance carriers specifically exclude autism spectrum disorder from being covered for speech and language therapy and occupational therapy, even though the defining symptoms are ones of neurologically-based communication, movement, and sensory integration

problems. However, these same symptoms in an individual who has received specific traumatic injury to the brain (e.g., car accident, blow to the head, stroke) may be covered, according to information compiled by the Center for Autism and Related Disabilities at the University of South Florida.

Some carriers have indicated that coverage is provided for prescription drugs; however, other types of benefits (i.e., physical therapy, occupational therapy) may or may not be covered, contingent upon the symptoms of the patient. Other plans exclude developmental disorders (autism and mental retardation).

Health Insurance Mandates for Autism in Other States

Some states require coverage for autism through specific mandates or through inclusion of coverage through mental health parity laws. In 2006, the State of New York passed legislation prohibiting insurers from denying coverage for the diagnosis and treatment of covered disorders under a policy solely because the treatment is to diagnose or cover autism spectrum disorder. In 1998, Kentucky provided for mandated coverage for the treatment of autism for children, 2 to 21 years of age, covered under a health benefit plan. The legislation specifically required coverage for therapeutic respite and rehabilitative care. Coverage for autism is subject to a $500 maximum benefit per month, per covered child. This limit does not apply to other health conditions of the child and services for the child not related to the treatment of autism. The definition of autism tracks the DSM-IV definition of autism.

Connecticut, Maine, Missouri, New Hampshire, and Texas provide coverage for autism through their mental health parity laws. In 1995, New Hampshire required coverage for autism that is no less extensive than coverage for physical illnesses and the mandate applies to group policies and HMOs, regardless of size. Maine enacted legislation in 1995 that included coverage for autism in group contracts that is no less extensive than medical treatment for physical illnesses and excludes groups of 20 or fewer employees. In 1997, Connecticut enacted a mental illness parity law that specifically included coverage for autism that would be equal to coverage provided for medical or surgical conditions. In 1997, Missouri required managed care plans to provide coverage for all disorders defined in the DSM-IV manual equal to physical illness. Further, in 1998, Texas required coverage for pervasive developmental disorder for up to 50 outpatient visits and 45 inpatient days annually.

Task Force on Autism Spectrum Disorders

On March 7, 2008, Governor Crist created the Task Force on Autism Spectrum Disorders by Executive Order 08-36. The task force is “created to advance public policy for the research, screening, education, and treatment of autism, to assess the availability of insurance coverage for appropriate treatment of autism, and to recommend a unified and coordinated agenda for addressing autism in Florida.” Responsibilities of the task force will include coordinating and reviewing the efforts of state agencies and organizations with regard to autism, encouraging public-private partnerships and resource sharing in support of autism and developmental disabilities research and services, developing a comprehensive Florida autism Web site to help families effectively obtain information and quickly identify resources, and develop a strategy for early diagnosis and intervention by working with medical experts and organizations to determine

how to best encourage screenings for autism as part of routine medical visits. The 21 member task force will submit a final report to the Governor by March 20, 2009.

III. Effect of Proposed Changes:

Section 1. Names the act the "Window of Opportunity Act."

Section 2. Creates s. 627.6686, F.S., requiring large group health insurance plans to provide coverage for the diagnosis and treatment of autism spectrum disorder in children.

Definitions – The bill provides that, as used in this section, the term:

- "Applied behavior analysis" means the design, implementation, and evaluation of modifications to environmental surroundings in order to produce socially significant improvement in human behavior. It includes, but is not limited to, the direct observation, measurement, and functional analysis of relationships between environment and behavior.
- "Autism spectrum disorder" includes autistic disorder, Asperger's syndrome, and pervasive developmental disorder not otherwise specified, as defined by the most recent edition of the DSM-IV. (These are the three conditions for which this act requires coverage.)
- "Health insurance plan" means a group health insurance policy or group health benefit plan offered by an insurer, specifically including the state group health insurance program as provided in s. 110.123, F.S. The term does not include insurance plans offered in the individual market or that are individually underwritten, or health insurance plans offered to small employers (undefined). (The definition limits the application of the bill to large group health insurance plans that are not employer sponsored.)
- "Insurer" means an insurer, health maintenance organization, or other entities providing health insurance coverage that are licensed to sell insurance in Florida and subject to insurance regulation.

Required Benefits – The bill requires large group health insurance plans to provide coverage for diagnostic screening of autism spectrum disorder in healthy babies and children, and the intervention and treatment of that disorder through speech therapy, occupational therapy, physical therapy, applied behavior analysis, treatment by a psychiatrist or psychologist, and any other necessary medical care, and as prescribed by the insured's treating medical physician in accordance with a treatment plan. Further, health insurance plans may not deny, refuse to issue or reissue coverage, terminate, or restrict coverage because an individual is diagnosed with autism spectrum disorder.

Benefit Limitations – The bill specifies that the coverage for autism spectrum disorders as described above, may not be subject to dollar limits, deductibles, or coinsurance provisions that are less favorable than those applied to physical illnesses under the health plan. Also, coverage of the required benefits may not be denied on the basis that provided services are habilitative in nature. However, coverage for behavioral therapy, as specified in this section, is subject to a maximum benefit of $36,000 per year. Beginning January 1, 2010, the $36,000 maximum benefit is to be adjusted annually on that date to reflect annual changes in the medical component of the Consumer Price Index, All Urban Consumers, as published by the U.S. Department of Labor's Bureau of Labor Statistics. All coverage for autism spectrum disorders may be subject to other

general exclusions and limitations of the insurer's policy or plan, including coordination of benefits, participating provider requirements, restrictions on services provided by family or household members, and utilization review of health care services. This section may not be construed as limiting benefits and coverage otherwise available to an insured under a health insurance plan.

Benefit Eligibility – The bill specifies that to be eligible for benefits and coverage, an individual must be diagnosed with an autism spectrum disorder at 8 years of age or younger. Benefits and coverage must be provided to eligible persons that are under 18 years of age or who are in high school.

Treatment Plans – Treatment plans for autism spectrum disorder must include all elements necessary for the health insurance plan to appropriately pay claims. This includes a diagnosis, the type of proposed treatment, the frequency and duration of treatment, the goals and anticipated outcomes of treatment, how frequently the treatment plan will be updated, and the treating medical doctor's signature. Health insurance plans may request updated treatment plans only once every 6 months from the treating medical doctor for purposes of reviewing medical necessity unless the health insurance plan and the treating doctor agree that more frequent reviews are necessary due to emerging clinical circumstances.

Section 3. Amends s. 1004.55, F.S., correcting a reference to refer to the Florida State University College of Medicine as a regional autism center.

Section 4. The act is effective January 1, 2009. It applies to health insurance policies or plans issued, renewed, entered into, or delivered on or after that date.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The provisions of this bill have no impact on municipalities and the counties under the requirements of Article VII, Section 18 of the Florida Constitution.

B. Public Records/Open Meetings Issues:

The provisions of this bill have no impact on public records or open meetings issues under the requirements of Article I, Section 24(a) and (b) of the Florida Constitution.

C. Trust Funds Restrictions:

The provisions of this bill have no impact on the trust fund restrictions under the requirements of Article III, Subsection 19(f) of the Florida Constitution.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The implementation of the bill will expand and improve the treatment of persons with autism spectrum disorder. According to a 2006 study by the Harvard School of Public Health it can cost about $3.2 million to take care of an autistic person over his or her lifetime, including direct and indirect costs. Direct costs include direct medical costs, such as physician and outpatient services, prescription medication, and behavioral therapies (estimated to cost, on average, more than $29,000 per person per year) and direct non-medical costs, such as special education, camps, and child care (estimated to annually cost more than $38,000 for those with lower levels of disability and more than $43,000 for those with higher levels). Indirect costs equal the value of lost productivity resulting from a person having autism, for example, the difference in potential income between someone with autism and someone without. It also captures the value of lost productivity for an autistic person's parents. The study estimates that annual indirect costs for autistic individuals and their parents range from more than $39,000 to nearly $130,000.

The mandate of coverage for autism spectrum disorders is likely to increase the cost of large group health insurance and large group HMO coverage. To the extent that private sector entities provide health insurance to their employees as part of a large group, the bill may cause health insurance costs to rise, though the bill will not affect small employers (what constitutes a small employer is not stated by the bill). Increased costs reduce compensation for employees and also have been the cause of many employers eliminating their provision of health benefits. According to the statutorily-required study provided by the advocacy group Autism Speaks, the likely maximum premium impact on individuals covered by private health insurance is expected to be less than 1 percent, amounting to $0.87 to $1.56 per member per month for single policy rates and $2.33 to $4.20 per member per month for family rates. However, this was not an actuarial study and not all assumptions are specified.

A 2007 United States General Accounting Office study found that the number of employers offering benefits dropped from 2001 to 2006, although the majority of that decrease was due to small employers (which the bill exempts) not offering benefits. Among employers that offer health benefits, many have changed plan design features or begun offering different types of health plans to control costs. The bill will not affect employer sponsored self-insurance plans that are exempt from state mandates due to ERISA federal preemption.

C. Government Sector Impact:

The Division of State Group Insurance states that it is difficult to assess the impact of expanding autism coverage. However, it notes that a 2005 analysis estimated the fiscal impact of similar legislation to be $294,000 to $1,164,000. The DSGI also notes that since that time, the incidence of autism has been adjusted from 1 in 250 births to 1 in 150 births. The DSGI also believes that SB 2654 is likely to increase administrative appeals due to disputes regarding whether a prescribed treatment is covered under the PPO plan. The PPO plan and most HMOs exclude or have limitations on the various

therapies that are often prescribed to treat autism. For example, therapies that are behavioral based usually have limited coverage as to treatment periods, as do massage therapy and speech therapy. Prescribed treatment for autism also often involves educational programs and nutritional alternative programs, both of which are excluded under the PPO plan.

VI. Technical Deficiencies:

Page 2, line 51. The bill specifies "small employers" are exempt from the legislation, but that term is not defined for purposes of the section. Sections 627.6692, F.S., (the Florida Health Insurance Coverage Continuation Act) and 627.6699, F.S., (the Employee Health Care Access Act) define a small employer as having 50 or fewer employees.

VII. Related Issues:

Required Study by Advocates (Autism Speaks[7])

Section 624.215, F.S., requires every person or organization seeking consideration of a legislative proposal mandating health coverage to submit to the Agency for Health Care Administration and the appropriate legislative committees having jurisdiction a report assessing the social and financial impacts of the proposed coverage. The statute contains twelve assessments that the report is to include, if information is available. The autism advocacy organization Autism Speaks delivered to the Banking and Insurance Committee on March 18, 2008, a report assessing the social and financial impacts of SB 2654 and its companion legislation HB 1291. Their report makes the following findings using the assessment criteria of s. 624.215, F.S, as summarized by committee staff. A copy of the report is available from the Senate Banking and Insurance Committee:

- *To what extent is the treatment or service generally used by a significant portion of the population?* – An estimated one in 150 children is diagnosed with autism. With an estimated population of approximately 4,475,000 people age nineteen and younger, Florida may have as many as 30,000 people in that age group with autism.
- *To what extent is the insurance coverage generally available?* – Very few health insurance plans cover applied behavior analysis, which is often classified as investigational or experimental. A 2002 study of 46 commercial, employment-based plans covering 496,911 people found that autism was a diagnostic exclusion in all of the plans.
- *To what extent does the lack of coverage result in persons avoiding necessary health care treatment?* – The high cost of treating autism means many families cannot afford needed treatment. A 2007 study fond that individuals with an ASD had average medical costs that were approximately $4,000 to $6,000 higher than those without the condition. An online survey of parents of autistic children indicated that 77 percent of families nationwide, and 78 percent of Florida families pay the full cost of applied behavior analysis out of pocket.
- *To what extent does lack of coverage result in unreasonable financial hardship?* – An online survey of parents with autistic children indicates that 27 percent of families in Florida reported quitting a job or significantly reducing hours at work to either take a child to

[7] www.autismspeaks.org (last visited on April 8, 2008)

treatment or to do treatment at home. The same survey showed that 19 percent of Florida families using applied behavior analysis spend over $1,000 per month. Expenses for ABA alone (not including other treatments) can exceed over $2,500 per month in rare instances.

- *The level of public demand for the treatment or service* – Demand for services for screening diagnosis and treating autism spectrum disorders is on the rise. A Department of Health and Human Services study found that 6.7 per 1000 eight year old children have autism. Estimates prior to 1985 put the number at .4 to .5 per 1000 children under age eighteen. In Florida, the Developmental Disabilities Home and Community-Based Services Waiver serves people with disabilities. The waiver provides behavior analysis and assistant services, physical, occupation, and speech therapies and other services. As of October 1, 2007, 21,728 individuals were on a waiting list for services. Eighty five percent have been on the waiting list for over five years. Approximately 15 percent (3,172 people) on the list had autism as their primary diagnosis.
- *The level of public demand for insurance coverage of the treatment* – Private insurance coverage for the treatment and services provided for in this legislation is generally unavailable. As a result, the public health system bears most of the burden of providing access to these services. Additionally, because Florida law requires every district school board to provide special instruction for exceptional students, many schools bear the burden of treatment by providing speech therapy and related services that private insurers refuse to provide.
- *Interest of collective bargaining agents in negotiating for inclusion of this coverage in group contracts* – Unknown.
- *Extent to which the coverage will increase or decrease the cost of the treatment or service* – Because families have difficulty accessing treatment through private insurance coverage, this leaves them at a competitive disadvantage in negotiating the price of services. Autism Speaks expects that the added bargaining power of private insurers will reduce the cost of autism services. Further, the purchasing power of private insurers will draw additional providers into the market, increasing the supply of services and reducing their costs.
- *Extent to which the coverage will increase the appropriate uses of the treatment or service* – The treatments required by this legislation are the core treatments for autism, and coverage of these treatments by private insurance may increase their appropriate use. Insurers often help consumers make appropriate medical decisions. For instance, Blue Cross Blue Shield of Florida provides benefits to better use their health care.
- *Extent to which the mandated treatment or service will be a substitute for a more expensive treatment or service* – The services required by the legislation are those that children with autism currently receive. They may become less costly, but will not substitute for a more costly treatment.
- *Extent to which the coverage will increase or decrease the administrative expenses of insurers, and the premium and administrative expenses of policyholders* – The likely maximum premium impact of SB 2654 on individuals covered by private health insurance is expected to be less than 1 percent, amounting to no more than $0.87 to $1.56 per member per month for single policy rates and $2.33 to $4.20 per member per month for family rates. Individuals in the state group insurance program will likely experience similar premium increases. However, it should also be noted that deferring treatment of autistics will result in future financial costs on society. A 2007 study by Michael Ganz of the Harvard School of Public Health indicates that the annual per capita incremental societal cost of autism is

$3.2 million per individual with the condition, with lost productivity and adult care the largest cost drivers.

Impact of this coverage on the total cost of health care – The likely maximum premium impact of this legislation will be less than 1 percent, which is outweighed by the benefits to Floridians from the legislation. The societal cost of autism can be lessened by effective autism services. A 2007 study estimated that Texas would save $208,500 per child across eighteen years of education with early intensive behavioral intervention. A 1998 study in Pennsylvania placed the cost savings at $187,000 to $203,000 per child for ages 3 to 22 years and at $656,000 to $1,082,000 per child for ages 3 to 35 years. With proper treatment, children with autism can do better in school and live healthier more independent lives and are less of a financial drain on the health care system in the long run.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Health Policy on April 1, 2008:
Clarifies that this is not "optional" coverage; specifies that the treatments covered under this provision include speech therapy, occupational therapy, physical therapy, applied behavior analysis, treatment by a psychiatrist or psychologist, and any other necessary medical care; specifies the coverage required in this act may not be denied on the basis that provided services are habilitative in nature; and, specifies this section may not be construed as limiting benefits and coverage otherwise available to an insured under a health insurance plan.

CS by Banking and Insurance on March 18, 2008:
Corrects a reference to refer to the Florida State University College of Medicine as a regional autism center.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.