TO: House Health Care & House Appropriations Committee  
FROM: Nolan Langweil  
DATE: 5/5/10  
RE: S.262 – Coverage of Services for Children with Autism Spectrum Disorder

The Senate passed version of S. 262 is currently a study of coverage of appropriate services for children with autism spectrum disorder. This memo is no way intended to substitute for the study as outlined in the Senate passed version of S.262, but rather provide an initial analysis a house health committee version which would require insurance plans to provide coverage for the diagnosis and treatment of autism spectrum disorder (ASD).

The House Health Care Committee version would provide coverage for the diagnosis and treatment of ASD for children beginning at 18 months of age until the child reaches age six or enters the first grade, which occurs first.

The bill also has an effective date of July 1, 2011 which means it would not have an impact on the state budget until SFY ’12.

The impact to the state budget would be from increase in premium costs for the state employee plan and for Catamount Health beneficiaries who on premium assistance (under 300% FPL).

Catamount Health
According to BISHCA, as of March 2010, there were 156 people on family plans. Of those, we estimate approximately 98 of those beneficiaries are children and even less are under the age of six. The committee heard testimony that the prevalence of ASD is approximately 1 in 110, a number that is corroborated by the CDC. Given this statistic it is possible there may be at least one child covered by Catamount Health that has ASD and would be eligible for this coverage and therefore reasonable to expect the carriers to account for this in their premium filing. The potential impact to the Catamount Health Fund would be approximately $16K.

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1 It should be noted that none of the beneficiaries on family plans have premium assistance (over 300% FPL). However, they are part of the same pool therefore all costs and risks are spread amongst all Catamount beneficiaries.
3 Catamount Health is a $45 million dollar program and as such this potentially falls within the margin of error.
State Employee Health Plan

Note: JFO has requested information from DHR to better inform the estimates. DHR immediately passed on the request to CIGNA (third party administrator). Given the short timeline we are not yet in receipt of this information and as such the estimates below could change once more specific information become available.

Of the approximately 22,000 people on the state employee plan, we estimate there are between approximately 1,300 and 1,400 kids between the age of 18 months and 6 years. Again, using the prevalence of 1 in 110, we estimate there could as many as 12 kids with ASD covered under the state employee plan. The estimated state share of the estimated increase in premiums is $151K.\(^4\) Since the state employee plan operates on a calendar year, this would be a six month impact. The costs would be annualized the following year.

Medicaid

The bill also requires Medicaid to provide this coverage. At this time, it is unknown what the potential fiscal impact would be on the Medicaid program. To the extent that Medicaid would be required to provide coverage for services beyond what is already covered, there would be a potential fiscal impact. At this time, we do not have a full understanding of what additional services, if any, Medicaid would be required to cover beyond what it is already covering. More analysis is needed.

Fiscal Impact Summary

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<th>SFY ’11</th>
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<td>Catamount Health</td>
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<td>State Employee Plan</td>
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<td>Medicaid</td>
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Other Considerations

It has been suggested that requiring coverage of services for Autism would reduce costs currently being borne by schools and Medicaid, resulting in potential savings. However, initial conversations with the Agency of Human Services and the Department of Education highlight the complexities associated with this issue. Further analysis is needed to determine how such a mandate would interact with the existing mechanics of how services for these children are currently being paid for as well as other moving parts that might also need to be taken into consideration.

\(^4\) State share of both general funds and transportation funds.