



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: H.B. 350 of the 131st G.A.

Date: January 12, 2016

Status: As Introduced

Sponsor: Reps. Grossman and Terhar

Local Impact Statement Procedure Required: Yes

Contents: To mandate coverage of autism treatment

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- The requirements under this bill may increase costs to counties, municipalities, townships, and school districts of providing health benefits to employees and their beneficiaries. However, LSC staff could not determine the precise magnitude of the fiscal impact due to lack of information on the number of individuals who have been diagnosed with an autism spectrum disorder (ASD) under their health benefit plans. Very rough estimates suggest that the statewide cost for political subdivisions could be in the range of several millions. Any political subdivision that already provides the required benefit would experience no cost increase.

Detailed Fiscal Analysis

The bill requires any insurance plan issued by a health insurer that provides basic health care services to provide coverage for the screening, diagnosis, and treatment of autism spectrum disorder (ASD). The bill also prohibits an insurer from terminating an individual's coverage, or from refusing to renew coverage to an individual, solely because the individual is diagnosed with or has received treatment for an ASD. The bill's requirements apply to health insuring corporations, sickness and accident insurers, and multiple employer welfare arrangements. The bill does not apply to nongrandfathered plans in the individual and small group markets or to Medicare supplement, accident-only, specified disease, hospital indemnity, disability income, long-term care, or other limited benefit hospital insurance policies.

The bill specifies the minimum coverage for the following benefits for enrollees under the age of 21: (1) for speech and language therapy or occupational therapy that is performed by a licensed therapist, 20 visits per year for each service, (2) for clinical therapeutic intervention that is provided by or under the supervision of a professional who is licensed, certified, or registered by an appropriate agency of this state to perform such services in accordance with a health treatment plan, 20 hours per week, and (3) for mental or behavioral health outpatient services that are performed by a licensed psychologist, psychiatrist, or physician providing consultation, assessment, development, or oversight of treatment plans, 30 visits per year. The bill also specifies that the coverage must not limit the number of visits an individual may make for treatment of ASD, including dollar limits, deductibles, or coinsurance provisions that are less favorable to an enrollee than the dollar limits, deductibles, or coinsurance provisions that apply to substantially all medical and surgical benefits under the policy, contract, or agreement.

Under current law, no mandated health benefits legislation enacted by the General Assembly may be applied to sickness and accident or other health benefits policies, contracts, plans, or other arrangements until the Superintendent of Insurance determines that the provision can be applied fully and equally in all respects to employee benefit plans subject to regulation by the federal Employee Retirement Income Security Act of 1974 (ERISA) and employee benefit plans established or modified by the state or any political subdivision of the state. The bill includes provisions that exempt its requirements from this restriction.

Fiscal effect

The bill would have no impact on the state's self-insured health benefit plan because the plan currently provides ASD coverage due to the Executive Order signed

by the Governor in December 2012.¹ All health insurance plans offered through the federal Exchange also provide coverage related to autism as the result of an Executive Order.

In the case of local governments, it is not clear that the bill would apply to local governments that self-insure their health plans,² since public employee benefit plans are not specifically required to provide the coverage. However, the bill would increase insurance premiums of some local governments' health benefit plans. Any increase in insurance premiums would increase costs to local governments to provide health benefits to employees and their dependents. In addition, even if some of the treatments or therapies for ASD may already be fully or partially covered in some local governments' benefit plans, their future premium rates may also increase to reflect an increased level of utilization for those treatments, therapies, or visits that are not captured in their current rates. Some local governments may currently offer health plans that are fully compliant with the bill, and for those governments there would be no fiscal effect, just as with the state. LSC staff is unable to estimate the magnitude of the bill's fiscal impact on local governments statewide with any precision due to lack of information on the number of individuals who have been diagnosed with an ASD and the specific benefits offered under their employee health benefit plans.

Background Information

The number of Ohioans who have been diagnosed with an ASD is undetermined. However, according to nationwide data from a Centers for Disease Control (CDC) report,³ one in every 68 children aged eight years was diagnosed with autism in 2010. Based on 2014 estimated Ohio population published by the U.S. Census Bureau,⁴ there were 1,715,337 Ohioans under the age of 12 in 2014. Assuming the CDC ratio, approximately 25,226 Ohioans aged 12 years or less in 2014 may have been diagnosed with autism.

In 2014, approximately 59.7% of Ohioans received their health insurance coverage through an employer, based on data derived from the Annual Social and Economic Supplement of the Current Population Survey (CPS), published by the U.S. Census Bureau. In addition, according to U.S. Bureau of Labor Statistics (BLS)

¹ There is the potential for a future fiscal effect, though, in the case that the Executive Order was repealed under a new Governor.

² According to the 2015 Report on the Cost of Health Insurance in Ohio's Public Sector, prepared by the State Employment Relations Board, approximately 70% of local public employers self-insured their health benefit plans in 2014.

³ Source: Autism and Developmental Disabilities Monitoring Network Surveillance Year 2010, CDC's Autism and Developmental Disabilities Monitoring (ADDM) Network, March 28, 2014.

⁴ Annual Estimates of the Resident Population by Single Year of Age and Sex for the United States, States, and Puerto Rico Commonwealth: April 1, 2010 to July 1, 2014, published by U.S. Census Bureau, Population Division, June 2015.

annual average nonagricultural employment data for Ohio in 2014, 1.1% of the Ohio nonfarm workforce was employed by state government, 4.4% was employed by local government, and 5.2% was employed in local government education. Based on the 25,226 estimate above, and the 59.7% Census Bureau estimate, approximately 15,060 children diagnosed with autism are covered by an employer-provided health plan. The number of such children that are covered by the state health plan is estimated to be approximately 166, the number that are covered by a health plan sponsored by a county, municipality, or township is estimated to be approximately 663, and the number covered by a school district-sponsored health plan is estimated to be approximately 783.

The overall cost of the bill would depend not only on the number of children eligible for the coverage, but also on the cost of treating each child. Presumably most basic medical care is already provided by the vast majority of health plans. The major new cost from the bill is likely due to the minimum required coverage for clinical therapeutic intervention.

According to the CDC's website, *Autism Spectrum Disorder (ASD) Data & Statistics*,⁵ the estimated costs for treating a child with ASD is about \$17,000 more per year compared to a child without ASD. Assuming all of the children estimated to have been diagnosed with autism and covered under local governments' health benefit plans above utilized ASD-related treatments, the estimated total costs to local governments to provide autism coverage could be about \$24.6 million per year statewide in total. The estimated costs for school districts could be about \$13.3 million per year. The estimated costs to counties, municipalities, and townships could be about \$11.3 million per year. To the extent that the benefits are already being provided under current plans, the actual costs would be lower than these estimates. Furthermore, if the local governments that self-insure their health benefit plans are not affected by the bill's requirements, the costs would likely be well below these estimates. The actual costs would depend on the number of children who may have been diagnosed with an ASD and the type of ASD treatments that may be used for such children.

The above estimates are based on children under age 12. Some published research has concluded that intensive autism treatment at young ages, with some studies defining this as up to age 12, may be helpful to improve the health and well-being of the study participants in the long term.

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⁵ CDC website at www.cdc.gov, visited January 8, 2016. (The estimate is derived from: Lavelle TA1, Weinstein MC, Newhouse JP, Munir K, Kuhlthau KA, Prosser LA., *Economic burden of childhood autism spectrum disorders*, Pediatrics, March 2014.)