



# The Council for Affordable Health Insurance's ISSUES & ANSWERS

Solutions for Today's Health Policy Challenges

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## The Growing Trend Toward Mandating Autism Coverage

Autism and treatment for its various complications is becoming one of the most discussed and demanded state benefit mandates. But there is a growing debate over whether, and to what extent, autism is a health-related condition as opposed to a behavioral condition or educational challenge. While health insurance does and should cover health-related aspects of autism, policymakers who want to ensure that families facing the real financial and other challenges posed by autism should develop safety net programs that meet their needs, rather than trying to impose autism-related costs on health insurance.

**Mental Health or Habilitative Services?** Currently, health insurance does and should cover physical medical conditions faced by those with autism. In addition, it will often cover many mental health-related conditions. However, autism advocates want to require health insurance to cover therapies more accurately described as educational.

One problem is how to categorize autism treatment: Does it fall under mental health or habilitative services? If autism is a mental health condition, it is more likely to be covered by health insurance. If under habilitative services, then it should be considered long term care.

A mental health benefit mandate provides for the payment of mental health evaluation and treatment, but sometimes at a higher out-of-pocket cost for the patient, or limitations are imposed on the coverage. Historically, mental health services have higher patient cost-sharing and shorter visit limits than services for physical illness or injury. Mental health parity laws try to minimize or eliminate this difference by requiring the same limitations and cost-sharing for mental health as for traditional medical care.

Habilitative services treatments, by contrast, include occupational, physical and speech therapies for children with a congenital or genetic birth defect, including autism. The goal of such services is to enhance the child's ability to function.

**Coverage for Autism.** Under a federal law passed in 2004, the Individuals with Disabilities Education Act, or IDEA, public early intervention and special education programs must provide related services and treatments to children with autism. However, only roughly 3 percent of autistic children's needs are met under IDEA, and President Obama has expressed support for even more comprehensive federal coverage.

State legislatures traditionally have grouped autism in the broader category of mental health, but one of the latest state legislative trends is to pass an autism mandate separately from mental health benefit mandates.

Autism support groups want mandate legislation that provides for evaluation and treatment of autism, as well as specific services such as school mainstreaming.

**Which States Cover Autism?** The question of whether autism is a mental health condition covered under health insurance varies from state to state. One of the problems is that scientists and doctors are not certain what causes autism, and so historically treatment differs from one person to the next. Plus autism-coverage advocates often vary in how they interpret existing laws.

- For example, Autism Speaks reports eight states with health insurance autism benefits.
- However, several autism blogs report a higher figure and point to a Connecticut Office of Legislative Research (OLR) report dated December 2006 that says 17 states have some level of coverage for autism, including 10 that require coverage for autism through their laws mandating mental illness coverage. Six of those states have specific autism laws.
- In July 2008, the Connecticut OLR came out with an additional report that broke down the autism mandate differently. Researchers reported that 22 states besides Connecticut mandate some amount of coverage for the treatment of autism — which is consistent with CAHI's own tracking of the autism mandate. Of these, eight require coverage for behavioral treatment services for autism (Arizona, Florida, Indiana, Kentucky, Louisiana, Pennsylvania, South Carolina and Texas) and five plus Connecticut require other coverage related to autism (Colorado, Georgia, Maryland, New York and Tennessee). Nine states and Connecticut include autism in their mental health mandate laws (California, Illinois, Iowa, Kansas, Maine, Montana, New Hampshire, New Jersey and Virginia).

The Autism Society of America is more consistent with the Connecticut OLR report and several autism blogs. The Society's scope is broader than Autism Speaks, and it includes all types of coverage that addresses autism benefits, not just behavioral support.

CAHI has tracked 39 states that have mental health benefit mandates on their books (of which 30 specifically include autism), 47 that have state mental health parity laws and at least three have habilitative services for children.

There was additional autism-mandate activity during the 2008 legislative session. For example, Arizona, Connecticut, Florida, Illinois, Louisiana, Pennsylvania and South Carolina now have state mandate laws. And Hawaii adopted a resolution that requests a study of the social and financial impact of adding an autism mandate to health insurance coverage.

Even so, states are increasingly looking to insurers to cover more — or all — of the costs of caring for autistic children. Not because health insurers have any particular expertise in, or even responsibility for, autism. Legislators want insurers to cover more of the costs simply so the state doesn't have to.

**The Push for Expanded Autism Coverage.** Autism is a serious problem in the country, and we still don't understand the causes or the cure. The Centers for Disease Control reported in 2007 that one in 150 children has this disorder. And there is a growing recognition that autism should be identified early and treated — hence the American Academy of Pediatrics' recent recommendation that all U.S. children be formally screened for autism twice by the age of two.

We do know these children need significant amounts of care. That's why Wisconsin's approach, which set up the Children's Long-Term Care Community-Based Waiver (or CTLS) to provide a range of services to qualifying individuals, makes the most sense. It provides more integrated care than could possibly be provided by health insurance.

In addition, autism support groups and their families are looking for more financial relief from and coverage for Applied Behavior Analysis and other therapies which, according to proponents, contain some of the most effective forms of treatment, best outcomes and long term economic benefits. Proponents believe that health insurance companies should assume the financial burden — typically in the range of \$50,000 per year per child — for autistic children that families and school districts have borne.

Insurance carriers argue that most medically related treatments are already covered for autism. In addition, they note that autism is an individually based disorder, and so there is often no clear standard of care to determine the appropriate therapy. Further, some see behavioral therapy not as a medical benefit but an educational one. For example, "play therapies" can require up to 10 separate interactions per day, ensuring the child remains focused on the world around him. The therapy may be provided by unlicensed care providers (and/or parents) who can be trained to use the methods very effectively. Some of the other

therapies address developmental delays, which are not typically covered under health insurance.

While various educational therapies for autism may be beneficial, and while we recognize that many families struggle under the related financial burdens associated with autism, we question whether some of these therapies are within the scope of traditional health insurance.

**The Cost of Autism Coverage.** CAHI's actuarial working team estimates that an autism mandate increases the cost of health insurance by about 1 percent. But they caution us that figure may be rising for two reasons. The incidence of autism appears to be growing, and there is a trend to cover more services, which will drive up the cost of each covered individual. If these trends continue, as we expect, the cost of mandating coverage will move into the 1-to-3 percent range.

**Conclusion.** Private health insurance, with companies and individuals frequently changing plans or health care networks, doesn't provide the consistent care autistic children need. If legislators want to help these families, they should create programs specifically targeted to meet their needs and properly fund them from general revenues — better than Congress did under the IDEA program — rather than try to force the costs onto health insurance, which will just increase everyone's premiums.

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