



March 5, 2012

The Honorable Clark Shultz, Chairperson
House Committee on Insurance
Statehouse, Room 166-W
Topeka, Kansas 66612

Dear Representative Shultz:

SUBJECT: Fiscal Note for HB 2764 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2764 is respectfully submitted to your committee.

HB 2764 would require that any individual or group health insurance policy, plan, contract, fraternal benefit society or health maintenance organization that provides coverage for accident and health services on or after July 1, 2012 to provide coverage for the treatment and diagnosis of autism spectrum disorders (ASD) for individuals less than 19 years of age. Insurers could limit the coverage to a maximum of \$36,000 per year for individuals less than seven years old and \$27,000 per year for individuals between seven and 19 years old. Reimbursement for services would be allowed only to providers who are licensed, trained and qualified to provide such services or by an autism specialist or intensive individual services provider, as defined by the Department of Social and Rehabilitation Services (SRS) autism waiver.

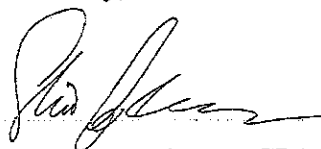
HB 2764 would allow insurers to deny any claim for services based upon medical necessity or a determination that the covered individual has reached maximum medical improvement for his or her autism disorder. The bill would prohibit an insurer from terminating coverage or refusing to deliver, issue or renew coverage to an individual solely because the individual has been diagnosed with or has received treatment for an autism spectrum disorder.

Estimated State Fiscal Effect				
	FY 2012 SGF	FY 2012 All Funds	FY 2013 SGF	FY 2013 All Funds
Revenue	--	--	--	--
Expenditure	--	--	--	\$259,184
FTE Pos.	--	--	--	--

The State Employee Health Plan (SEHP) is already piloting this coverage for ASD. Coverage began on January 1, 2011. HB 2764 would make this a permanent benefit instead of a pilot benefit for the SEHP. The Centers for Disease Control and Prevention (CDC) estimates the prevalence on average of one in 110 children being diagnosed with ASD. Under the pilot program during plan year 2011, 126 members received services for ASD. There were 23,087 children under age 19 in the SEHP, which would indicate an ASD prevalence factor of 0.55 percent. The plan expects that utilization of this benefit would increase over time as patients and providers become more familiar with the coverage. This would be consistent with any new mandated benefit and is not specific to ASD. The plan estimates increased utilization based on the prevalence rate of the CDC. Using the actual dollars spent in plan year 2011, the plan estimates additional expenditures of \$259,184 in FY 2013.

Outside of the state budget, the fiscal effect of HB 2764 would be for health insurers and the insured. This mandated coverage would cause an increase in expenditures for plans that currently do not offer the coverage. Insurers could increase premiums to fund the additional expenditures. This increased cost of insurance would affect employers that provide health insurance for employees and individuals who pay for a part or all of their insurance. Conversely, individuals who currently receive services for ASD that are not paid for by their health care plan would realize personal savings from the additional coverage.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Aaron Dunkel, KDHE
Jackie Aubert, SRS
Zac Anshutz, Insurance



March 20, 2014

REVISED

The Honorable Scott Schwab, Chairperson
House Committee on Insurance
Statehouse, Room 151-S
Topeka, Kansas 66612

Dear Representative Schwab:

SUBJECT: Revised Fiscal Note for HB 2744 by House Committee on Taxation

In accordance with KSA 75-3715a, the following revised fiscal note concerning HB 2744 is respectfully submitted to your committee.

HB 2744 would require large employer non-grandfathered group health plans to add coverage for the treatment of autism disorder for children whose age is less than eighteen years. Other health plans would be required to add the coverage beginning in 2016. The bill has an expansive definition of what autism would mean for purposes of coverage. In addition, it would expand the definition of eligible providers to include intensive individual service providers. Coverage for Applied Behavioral Analysis (ABA) therapy would be limited to individuals less than eighteen years of age and to 520 hours per calendar year. No coverage would be required for inpatient services. All other covered services for autism care would have to be treated in the same manner as other medical services covered under the plan.

HB 2744 would also require the Behavioral Sciences Regulatory Board to license ABA providers. The bill would require that on or after January 1, 2016, no person shall practice ABA in Kansas unless they are a licensed Behavior Analyst, a licensed Assistant Behavior Analyst working under the supervision of a licensed Behavior Analyst, an individual who has a bachelor's or graduate degree and completed course work for licensure as a Behavior Analyst and is obtaining supervised field experience under a licensed Behavior Analyst pursuant to required supervised work experience for licensure, or a licensed psychologist practicing within the rules and standards of practice for psychologists in the state of Kansas and whose practice is commensurate with their level of training and experience. The Behavioral Sciences Regulatory Board would also be required to promulgate rules and regulations necessary to implement and administer the act.

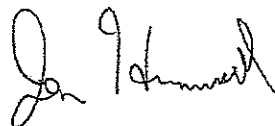
Under current law, treatment for autism disorder is not an essential health benefit. However, the law also requires a review and possible revision of essential health benefits for the

2016 plan year. Currently a large group health plan is defined as one offered by an employer with 51 or more employees. Beginning in 2016, the Affordable Care Act (ACA) changes the definition of a large group health plan to one that is offered by an employer with 101 or more employees. If autism disorder treatment is not added as an essential health benefit for 2016 at the federal level, the cost of this state mandate for plans with 51 to 100 employees would have to be paid by the state. The cost of the mandate would depend on actual utilization of the benefit and the number of plans affected. Therefore a fiscal effect cannot be estimated at this point. The original fiscal note did not outline the potential effect this bill may have in future years.

The Department of Health and Environment indicates that HB 2744 would expand the coverage provided for autism spectrum disorder currently offered in the State Employee Health Plan (SEHP) by removing current annual dollar limit on services and potentially increasing the plan expenditures for these services. Depending on the utilization that results from removing the annual benefit cap, it could have an impact on the State's and other covered public employers cost for covering employees under the plan.

The Behavioral Sciences Regulatory Board (BSRB) states that the fiscal effect of HB 2744 would be dependent upon the actual number of licensees that would be required to submit applications for licensure. If the number of licensees is relatively small, the agency could process the applications utilizing existing resources. However, if the number of applications is much larger than a hundred, an additional credentialing specialist position would be required. The agency estimates annual salary expenditures of \$49,500 and a one-time expenditure of \$1,500 for a computer. The BSRB would charge license application fees and renewal fees in order to cover the additional expenditures. Any fiscal effect associated with HB 2744 is not reflected in *The FY 2015 Governor's Budget Report*.

Sincerely,



Jon Hummell,
Interim Director of the Budget

cc: Aaron Dunkel, KDHE
Zac Anshutz, Insurance Department
Max Foster, BSRB