

BILL ANALYSIS

C.S.H.B. 1224

By: Davis, John

Insurance

Committee Report (Substituted)

BACKGROUND AND PURPOSE

Autism Spectrum Disorder (ASD) is a neurological disorder that impacts brain development, brain function, and all five senses. It is a genetic disorder that causes structural brain changes prior to the time a child is born. Usually ASD does not manifest itself until a child is about 18 months old but appears through the child's behavior by the time s/he reaches age three. The U.S. Centers for Disease Control recently completed a comprehensive study on the prevalence of ASD, which concluded that 1 in 150 children experience some form of ASD.

The vast majority (estimates of 90-95%) of insurance companies deny coverage for Pervasive Development Disorders and/or Autism Spectrum Disorder. Even though people affected with these disorders do not become ill at a more frequent rate than a member of the general population, numerous reported cases document that insurers discriminate against individuals strictly on the diagnosis of autism. Historically, insurers have been legally able to deny coverage to autistics based on the claim that persons with autism are afflicted with a mental illness. However, the American Medical Association recently changed the definition of autism spectrum disorder in the Diagnostic and Statistical Manual of Mental Disorders of the American Psychiatric Association to a neurobiological condition.

Substantial evidence suggests that early intervention can reverse or minimize the behaviors associated with ASD. Most studies indicate that of all children who receive early intensive behavior intervention, about 40 percent are able to enter first grade on time without requiring special education and 40 percent make substantial gains in multiple skill areas including language skills, adaptive skills, self-care skills, an increase of 20 to 30 points in IQ, and full participation in a classroom without special education supports. The United States currently spends \$90 billion on the treatment of ASD, 90 percent of which is spent on adult services. Early intervention for ASD can cut lifelong costs by two-thirds; however, most families cannot afford early intervention services.

C.S.H.B. 1224 updates the definition of ASD to reflect recent advances in understanding of the condition. It also requires health plans to provide all medically necessary coverage included in a physician prescribed "treatment plan" for children with ASD between the ages of three and five, as early interventions have proven in scientific and academic studies to be the only way to prevent many individuals with ASD from needing services throughout their lifetime.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Commissioner of Insurance in SECTION 1 (Section 1355.256 of the Texas Insurance Code) of this bill.

ANALYSIS

SECTION 1. Amends Chapter 1355, Insurance Code, to add Subchapter F. Defines "autism spectrum disorder," "enrollee," and "neurobiological disorder." Describes the applicability of certain health benefit plans, including risk pools, basic coverage, basic plans, and primary care coverage plans. Excludes certain plans in SECTION 1, Section 1355.253. Prohibits exclusion of coverage and denial of benefits otherwise available to an enrollee for treatment, equipment, or therapy based on the enrollee's having autism spectrum disorder. Requires coverage for certain children. Provides coverage for enrollees aged at least three to five years who are diagnosed with autism spectrum disorder to receive "generally recognized services," which are speech therapy; occupational therapy; physical therapy; or medications or nutritional supplements used to address symptoms of autism spectrum disorder. Allows for annual deductibles, copayments, and coinsurance that are required for other coverage under the health benefit plan. Requires the commissioner of insurance to adopt rules as necessary to administer this chapter.

C.S.H.B. 1224 80(R)

SECTION 2. Amends Section 1355.001(1), Insurance Code, by deleting "pervasive development disorders" from the list of psychiatric illnesses described as "serious mental illness."

SECTION 3. This Act applies only to a health benefit plan delivered, issued for delivery, or renewed on or after January 1, 2008. A health benefit plan delivered, issued for delivery, or renewed before January 1, 2008, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 4. Effective date: September 1, 2007.

EFFECTIVE DATE

September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 1224 makes several changes to the original house bill. First, the substitute bill amends the language found in Subsection (b) of Section 1355.255, SECTION 1 of the original house bill. Whereas the original house bill stated "The health benefit plan must provide coverage under this subchapter to the enrollee for all generally recognized services prescribed in relation to autism spectrum disorder by the enrollee's primary care physician in the treatment plan recommended by that physician. An individual providing treatment prescribed under this subsection must be a health care practitioner who is licensed, certified, or registered by an appropriate agency of this state or the United States. For purposes of this subsection, "generally recognized services" may include services such as: (1) applied behavioral analysis; (2) behavior training and behavior management; (3) speech therapy; (4) occupational therapy; (5) physical therapy; or (6) medications or nutritional supplements used to address symptoms of autism spectrum disorder", the substitute differs and now states that "The health benefit plan must provide coverage under this subchapter to the enrollee for all generally recognized services prescribed in relation to autism spectrum disorder by the enrollee's primary care physician in the treatment plan recommended by that physician. An individual providing treatment prescribed under this subsection must be a health care practitioner: (1) who is licensed, certified, or registered by an appropriate agency of this state; (2) whose professional credential is recognized and accepted by an appropriate agency of the United States; or who is certified as a provider under the TRICARE military health system".

Next, C.S.H.B. 1224 moves the language found in Subsection (c) of Section 1355.255 of the original house bill, to Subsection (d) of the substitute. Subsection (c) of Section 1355.255 of C.S.H.B. 1224 now states that "For purposes of Subsection (b), "generally recognized services" may include services such as: (1) speech therapy; (2) occupational therapy; (3) physical therapy; or (4) medications or nutritional supplements used to address symptoms of autism spectrum disorders". As it is clearly shown, "applied behavioral analysis" and "behavior training and behavior management" are not included in the substitute.

Also, the exact language found in SECTIONS 3 and 4 of the original house bill, is not found in the substitute. Finally, the language found in SECTIONS 5 and 6 of the original house bill is now found in SECTIONS 3 and 4, respectively, of C.S.H.B. 1224.