

BILL ANALYSIS

S.B. 419
By: Lucio
Insurance
Committee Report (Amended)

BACKGROUND AND PURPOSE

The incidence of autism spectrum disorder (ASD) among children has steadily increased in the past decade. The U.S. Centers for Disease Control and Prevention (CDC) recently completed a comprehensive study on the prevalence of ASDs, which concluded that one in 150 children experience some form of ASD. There is substantial evidence suggesting that when children with ASD receive early intervention treatments, many of the behaviors associated with their condition can be reversed or minimized. The United States spends \$90 billion on ASD per year, 90 percent of which is spent on adult services. Early intervention for ASD can cut lifetime costs by two-thirds, but the initial costs associated with providing treatment prevent the majority of families from being able to afford early intervention services.

Currently, between 90 and 95 percent of private health plans deny coverage for ASD. Insurers deny treatment coverage for children with ASD by classifying ASD as a mental illness, although autism is recognized as a neurobiological disorder in the Diagnostic and Statistical Manual of Mental Disorders of the American Psychiatric Association.

S.B. 419 defines "neurobiological disorder" and "autism spectrum disorder" and requires ASD treatment to be covered by insurance for children ages three to five years, since ASD is usually diagnosed between 12 and 36 months.

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, Insurance Code) of this bill.

ANALYSIS

SECTION 1. Amends Chapter 1355, Insurance Code, by adding Subchapter F, as follows:

SUBCHAPTER F. HEALTH BENEFIT PLAN COVERAGE FOR ENROLLEE WITH AUTISM SPECTRUM DISORDER

Sec. 1355.251. DEFINITIONS. Defines "autism spectrum disorder," "enrollee," and "neurobiological disorder."

Sec. 1355.252. APPLICABILITY OF SUBCHAPTER. (a) Sets forth the health benefit plans (plans) to which this subchapter applies.

(b) Provides that this subchapter applies to health and accident coverage provided by a risk pool created under Chapter 172, Local Government Code, notwithstanding Section 172.014, Local Government Code, or any other law.

(c) Provides that this subchapter applies to certain basic and primary coverage plans.

Sec. 1355.253. EXCEPTION. Sets forth specific plans and policies to which this subchapter does not apply.

Sec. 1355.254. EXCLUSION OF COVERAGE AND DENIAL OF BENEFITS PROHIBITED. Prohibits a health benefit plan from excluding coverage or denying benefits otherwise available to an enrollee for treatment, equipment, or therapy based on the enrollee having autism spectrum disorder (ASD).

Sec. 1355.255. REQUIRED COVERAGE FOR CERTAIN CHILDREN. (a) Requires that a minimum, a plan to provide coverage to an enrollee older than two years of age and younger than six years of age who is diagnosed with ASD. Provides that if the enrollee becomes six years of age or older and continues to need treatment, this subsection does not preclude coverage of treatment and services described by Subsection (b).

(b) Requires the plan to provide coverage to the enrollee for all generally recognized services prescribed in relation to ASD by the enrollee's primary care physician in the treatment plan recommended by that physician. Sets forth certain requirements for the prescribing physician's licensing, certification, and registration.

(c) Defines "generally recognized services."

(d) Authorizes coverage under Subsection (b) to be subject to annual deductibles, copayments, and coinsurance that are consistent with the annual deductibles, copayments and coinsurance required for other types of coverage.

Sec. 1355.256. RULES. Requires the commissioner of insurance to adopt rules as necessary to administer this subchapter.

SECTION 2. Amends Section 1355.001(1), Insurance Code, to remove "pervasive developmental disorders" from the definition of "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.

EXPLANATION OF AMENDMENTS

Committee Amendment No. 1 amends S.B. 419 by deleting (1)-(7) in SECTION 1 Section 1355.255(c) as found in the original house bill. The committee amendment then adds "(1) speech therapy; (2) occupational therapy; (3) physical therapy; or (4) medications or nutritional supplements used to address symptoms of autism spectrum disorder" to the bill in SECTION 1 Section 1355.255(c).

Next, Committee Amendment No. 2 amends S.B. 419 by deleting Subsection (b) in SECTION 1 Section 1355.252 as found in the original house bill. Thus, the amendment also renumbers the subsequent subsection appropriately.