



Senate

General Assembly

File No. 72

January Session, 2013

Senate Bill No. 956

Senate, March 20, 2013

The Committee on Insurance and Real Estate reported through SEN. CRISCO of the 17th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

***AN ACT CONCERNING PEDIATRIC AUTOIMMUNE
NEUROPSYCHIATRIC DISORDER ASSOCIATED WITH
STREPTOCOCCAL INFECTIONS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective January 1, 2014*) Each individual health
2 insurance policy providing coverage of the type specified in
3 subdivisions (1), (2), (4), (11) and (12) of section 38a-469 of the general
4 statutes delivered, issued for delivery, renewed, amended or
5 continued in this state shall provide coverage for the diagnosis and
6 treatment of pediatric autoimmune neuropsychiatric disorder
7 associated with streptococcal infections.

8 Sec. 2. (NEW) (*Effective January 1, 2014*) Each group health insurance
9 policy providing coverage of the type specified in subdivisions (1), (2),
10 (4), (11) and (12) of section 38a-469 of the general statutes delivered,
11 issued for delivery, renewed, amended or continued in this state shall
12 provide coverage for the diagnosis and treatment of pediatric
13 autoimmune neuropsychiatric disorder associated with streptococcal

14 infections.

15 Sec. 3. (NEW) (*Effective October 1, 2013*) The Department of Public
 16 Health shall develop programs to educate the relevant medical
 17 community and the general public and promote research on pediatric
 18 autoimmune neuropsychiatric disorder associated with streptococcal
 19 infections. Such programs shall include, but not be limited to: (1)
 20 Clinical awareness programs for physicians and informational
 21 outreach programs for teachers and the general public; (2)
 22 epidemiological studies of pediatric neuropsychiatric disorder
 23 associated with streptococcal infections within this state; (3) the
 24 establishment of a panel consisting of experts in the clinical and
 25 research communities in the diagnosis, care and treatment of pediatric
 26 neuropsychiatric disorder associated with streptococcal infections to
 27 assist with the development of practice guidelines for such diagnosis,
 28 care and treatment in this state; and (4) the establishment of a state
 29 liaison to develop science-based guidelines for the diagnosis, care and
 30 treatment of pediatric neuropsychiatric disorder associated with
 31 streptococcal infections with the National Institute of Mental Health
 32 and the Centers for Disease Control and Prevention.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2014</i>	New section
Sec. 2	<i>January 1, 2014</i>	New section
Sec. 3	<i>October 1, 2013</i>	New section

INS *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 14 \$	FY 15 \$
State Comptroller- Fringe Benefits (State Employee and Retiree Health Plan)	GF, TF - Cost	Indeterminate	Indeterminate
Public Health, Dept.	GF - Cost	541,706	452,859
State Comptroller - Fringe Benefits ¹	GF - Cost	51,614	68,818
The State	Indeterminate	Indeterminate	Indeterminate

Municipal Impact:

Municipalities	Effect	FY 14 \$	FY 15 \$
Various Municipalities	STATE MANDATE - Cost	Indeterminate	Indeterminate

Explanation

Sections 1 and 2 of the bill will result in a potential cost to the state employee and retiree health plan², municipalities, and the state, for providing coverage for the diagnosis and treatment of pediatric autoimmune neuropsychiatric disorder associated with streptococcal infections (PANDAS).

PANDAS does not currently have an established diagnostic criteria

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 34.54% of payroll in FY 14 and FY 15.

² The state employee and retiree health plan is currently self-insured. Pursuant to federal law, self-insured health plans are exempt from state health mandates. However, the state has traditionally adopted all state health mandates.

or treatment regimen.³ The cost to the state employee and retiree health plan will depend on the number of members diagnosed with PANDAS, the diagnostic tools, and treatment mechanisms employed. It is important to note, the state employee and retiree health plan does not currently provide coverage for experimental or investigational treatments, except under specific circumstances for individuals with cancer.⁴

PANDAS has a diverse symptomatology, including but not limited to obsessive compulsive disorder (OCD), separation anxiety, personality changes, major depression and other psychiatric symptoms. In the event an individual has symptoms/conditions whose diagnosis and treatment is already covered, there is no additional cost to the state employee or retiree health plan.⁵

Municipal Impact

The bill may increase costs to certain fully insured, municipal plans that do not currently provide coverage for PANDAS. The coverage requirements may result in increased premium costs when municipalities enter into new health insurance contracts after January 1, 2014. In addition, many municipal health plans are recognized as “grandfathered” health plans under the Patient Protection and Affordable Care Act (PPACA)⁶. It is unclear what effect the adoption of certain health mandates will have on the grandfathered status of certain municipal plans under PPACA⁷. Pursuant to federal law, self-

³ Leisman, G. et al., *A Comprehensive Analysis of Research on the Diagnoses and Treatment Pediatric Autoimmune Neuropsychiatric Disorder (PANDAS/PANS)*. February 1, 2013.

⁴ Source: *State of Connecticut Health Benefit Plan, Plan Document*

⁵ For example, outpatient mental health treatment for various psychiatric conditions or anxiolytics for the treatment of anxiety.

⁶ Grandfathered plans include most group insurance plans and some individual health plans created or purchased on or before March 23, 2010.

⁷ According to the PPACA, compared to the plans’ policies as of March 23, 2010, grandfathered plans who make any of the following changes within a certain margin may lose their grandfathered status: 1) Significantly cut or reduce benefits, 2) Raise co-insurance charges, 3) Significantly raise co-payment charges, 4) Significantly raise deductibles, 5) Significantly lower employer contributions, and 5) Add or tighten annual limits on what insurer pays. (www.healthcare.gov)

insured health plans are exempt from state health mandates.

The State and PPACA

Lastly, PPACA requires that, effective January 1, 2014; all states must establish a health benefit exchange, which will offer qualified health plans that must include a federally defined essential health benefits package (EHB). The federal government is allowing states to choose a benchmark plan to serve as the EHB until 2016 when the federal government is anticipated to revisit the EHB.

While states are allowed to mandate benefits in excess of the EHB, the federal law requires the state to defray the cost of any such additional mandated benefits for all plans sold in the exchange. The extent of these costs will ultimately depend on the mandates included in the federal essential benefit package, which have not yet been determined. State mandated benefits enacted after December 31, 2011 cannot be considered part of the EHB for 2014-2015 unless they are already part of the benchmark plan⁸. However, neither the agency nor the mechanism for the state to pay these costs has been established.

Section 3 of the bill results in a cost to the Department of Public Health (DPH) of \$541,706 in FY 14 and \$452,459 in FY 15 as well as a costs to the State Comptroller - Fringe Benefits of \$51,614 in FY 14 and \$68,818 in FY 15, for a total state cost of \$593,320 in FY 14 and \$521,677 in FY 15. Costs to DPH reflect salary expenses for: three staff positions and costs associated with (1) a pediatric neuropsychiatric disorder associated with streptococcal infections (PANDAS) clinical awareness and informational outreach campaign, (2) PANDAS epidemiological studies and (3) the establishment of PANDAS expert panel. Costs to the State Comptroller - Fringe Benefits are associated with fringe benefit expenses for the three DPH staff positions. A breakout of these state costs is presented in the table below. Following this table, further detail on these items is provided.

⁸ Source: Dept. of Health and Human Services. *Frequently Asked Questions on Essential Health Benefits Bulletin* (February 21, 2012).

State Cost for DPH Programs Required Under SB 956

Item	9 months	full year
Department of Public Health (DPH) positions	FY 14 \$	FY 15 \$
Epidemiologist 3	59,400	79,200
Epidemiologist 2	47,119	62,825
Health Program Assistant	42,913	57,217
DPH positions subtotal	149,432	199,243
DPH Other Expenses (OE)		
Awareness & outreach campaign ¹	300,000	200,000
Database modification	50,000	-
Physician consultant	24,860	33,147
Visiting experts	9,718	13,908
Software licenses	2,500	2,500
Office supplies	1,500	2,000
In-state travel	1,356	2,712
Survey Monkey	300	300
DPH OE subtotal	390,234	254,567
Equipment (staff computers)	2,040	-
DPH TOTAL	541,706	453,810
State Comptroller - Fringe Benefits	51,614	68,818
STATE TOTAL	593,320	522,628

¹One-time message, materials/media and marketing plan development costs of \$100,000 are reflected in FY 14.

Staff positions are provided to oversee and implement a PANDAS clinical awareness and informational outreach campaign, conduct epidemiological studies of PANDAS within the state, organize meetings of a panel of PANDAS experts, and act as a state liaison to develop guidelines for the diagnosis, care and treatment of PANDAS with the National Institute of Mental Health and the Centers for Disease Control and Prevention. Staff will be supported in these tasks by a physician consultant to act as the chair of the expert panel and aid the state liaison in the development of science-based PANDAS guidelines. Consultant costs are estimated at \$71.53 per hour for 7

hours of work per week for 30 weeks in FY 14 of \$24,860. Full year consultant costs are annualized at \$33,147.

Awareness & outreach campaign costs include message, materials/media and marketing plan development costs in the first fiscal year and on-going costs for educational brochures, postage, and television and radio announcements. The one-time database modification cost of \$50,000 is associated with modifying the Connecticut Electronic Diseases Surveillance System to include PANDAS and is based on costs to develop a foodborne diseases surveillance module in the past. Costs reflected for visiting experts include airfare, accommodation and stipend expenses for six experts to attend two seven-hour-long meetings at two separate times of the fiscal year in FY 14. This is increased to three seven-hour-long meetings at three separate times of the fiscal year in FY 15. Software licenses are for Statistical Analysis System and Geographic Information System (for the geographic display and analysis of infectious disease epidemiological data). Survey Monkey costs reflect the "Gold Plan" which allows for integration with analytical software. Surveys will be utilized to monitor the level of PANDAS recognition in the medical community. In-state travel expenses are provided for DPH staff to retrieve medical charts not available electronically for the review of medical information.

The Out Years

The annualized costs for the on-going expenses identified above would continue in the future. In addition, normal annual pension costs (currently estimated at 7.5% of payroll) attributable to the identified personnel changes will be recognized in the state's annual required pension contribution in future actuarial valuations.

OLR Bill Analysis**SB 956****AN ACT CONCERNING PEDIATRIC AUTOIMMUNE NEUROPSYCHIATRIC DISORDER ASSOCIATED WITH STREPTOCOCCAL INFECTIONS.****SUMMARY:**

This bill requires the Department of Public Health (DPH) to develop programs to educate the medical community and general public and promote research on pediatric autoimmune neuropsychiatric disorder associated with streptococcal infections (PANDAS).

The bill also requires certain health insurance policies to cover the diagnosis and treatment of PANDAS. It applies to individual and group policies delivered, issued, renewed, amended, or continued in Connecticut that cover (1) basic hospital expenses; (2) basic medical-surgical expenses; (3) major medical expenses; or (4) hospital or medical services, including coverage under an HMO plan. Due to the federal Employee Retirement Income Security Act (ERISA), state insurance benefit mandates do not apply to self-insured benefit plans.

EFFECTIVE DATE: October 1, 2013 for the DPH requirement and January 1, 2014 for the insurance coverage requirement

DPH PROGRAMS

The bill requires DPH's PANDAS programs to include:

1. clinical awareness programs for physicians;
2. informational outreach programs for teachers and the general public;
3. epidemiological studies of PANDAS within Connecticut;

4. the establishment of a panel of PANDAS experts in the clinical and research communities to help develop practice guidelines for the diagnosis, care, and treatment of PANDAS in the state; and
5. the establishment of a state liaison to develop science-based guidelines for the diagnosis, care, and treatment of PANDAS with the National Institute of Mental Health and the Centers for Disease Control and Prevention.

BACKGROUND

Related Federal Law

The Patient Protection and Affordable Care Act (P.L. 111-148) allows a state to require health plans sold through the state's health insurance exchange to offer benefits beyond those included in the required "essential health benefits," provided the state defrays the cost of those additional benefits. The requirement applies to benefit mandates enacted after December 31, 2011. Thus, the state is required to pay the insurance carrier or enrollee to defray the cost of any new benefits mandated after that date.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 13 Nay 4 (03/07/2013)