



Senate

General Assembly

File No. 199

January Session, 2013

Senate Bill No. 1029

Senate, March 27, 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 HEALTH INSURANCE COVERAGE FOR
AUTISM SPECTRUM DISORDERS.***

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

1 Section 1. Section 38a-488b of the general statutes is repealed and
2 the following is substituted in lieu thereof (*Effective from passage*):

3 Each individual health insurance policy providing coverage of the
4 type specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-
5 469 that is delivered, issued for delivery, renewed, amended or
6 continued in this state [on or after January 1, 2009,] shall provide
7 coverage for physical therapy, speech therapy and occupational
8 therapy services for the treatment of autism spectrum disorder, as set
9 forth in the [most recent] fourth edition of the American Psychiatric
10 Association's "Diagnostic and Statistical Manual of Mental Disorders",
11 to the extent such services are a covered benefit for other diseases and
12 conditions under such policy.

13 Sec. 2. Subdivision (3) of subsection (a) of section 38a-514b of the

14 general statutes is repealed and the following is substituted in lieu
15 thereof (*Effective from passage*):

16 (3) "Autism spectrum disorder" means a pervasive developmental
17 disorder set forth in the [most recent] fourth edition of the American
18 Psychiatric Association's "Diagnostic and Statistical Manual of Mental
19 Disorders", including, but not limited to, Autistic Disorder, Rett's
20 Disorder, Childhood Disintegrative Disorder, Asperger's Disorder and
21 Pervasive Developmental Disorder Not Otherwise Specified.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	38a-488b
Sec. 2	<i>from passage</i>	38a-514b(a)(3)

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: See Below

Municipal Impact: See Below

Explanation

It is uncertain what the fiscal impact would be to the state or municipalities as the bill does not specify which fourth edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM) coverage requirements are tied to.

Under current law, the state employee and retiree health plan¹ as well as fully insured municipalities are required to provide coverage in accordance with the most recent version of the DSM (DSM-IV-TR published in 2000). There may be a fiscal impact to the state and fully insured municipalities if coverage is interpreted based on the previous fourth edition published in 1994. The two versions provide different diagnostic criteria for Pervasive Developmental Disorder-Not Otherwise Specified (PPD-NOS).² The version used would impact the potential population diagnosed with Autism and therefore the fiscal impact of the bill.

The coverage requirements may result in increased premium costs when municipalities enter into new health insurance contracts after the passage of the law. In addition, many municipal health plans are recognized as "grandfathered" health plans under the Patient

¹ 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.

² Individuals who meet the criteria for having autism may be diagnosed with PDD-NOS, among other disorders.

Protection and Affordable Care Act (PPACA).³ It is unclear what effect the adoption of certain health mandates will have on the grandfathered status of certain municipal plans under PPACA.⁴ Pursuant to federal law, self-insured health plans are exempt from state health mandates.

In addition, the bill prohibits any future changes to the diagnostic criteria for autism spectrum disorder. It is uncertain how the coverage provided for under the fourth edition (either 1994 or 2000) will reconcile with the essential health benefits package defined under the PPACA.

The 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 plan.⁵ However, neither the agency nor the mechanism for the state to pay these costs has been established.

³ Grandfathered plans include most group insurance plans and some individual health plans created or purchased on or before March 23, 2010.

⁴ 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)

⁵ Source: Dept. of Health and Human Services. *Frequently Asked Questions on Essential Health Benefits Bulletin* (February 21, 2012).

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**SB 1029*****AN ACT CONCERNING HEALTH INSURANCE COVERAGE FOR AUTISM SPECTRUM DISORDERS.*****SUMMARY:**

This bill modifies when certain health insurance policies must cover specified services to treat autism spectrum disorder. Under current law, policies must provide these services to treat this disorder as it is described in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM), to the extent such services are a covered benefit for other diseases and conditions under the policy. The bill, instead, ties the coverage mandate to the disorder as it is defined in the fourth edition of the DSM. As a result, the coverage mandate could expand or contract, depending on how the DSM changes over time. (A new edition will go into effect later this year.) Moreover, there are two versions of the fourth edition, and the bill does not specify which one it means (see COMMENT).

The bill applies to individual and group health insurance policies delivered, issued, renewed, amended, or continued in Connecticut that cover (1) basic hospital expenses; (2) basic medical-surgical expenses; (3) major medical expenses; and (4) hospital or medical services, including coverage under an HMO plan. With regard to individual plans, the mandate applies to medically necessary physical therapy, speech therapy, and occupational therapy. For group policies, the mandate applies to additional services, including psychiatric, psychological, speech and language pathology services, behavior therapy, and prescription drugs. The law permits annual caps on child coverage.

EFFECTIVE DATE: Upon passage

BACKGROUND***DSM and Autism Spectrum Disorder***

The American Psychiatric Association publishes and periodically revises the DSM. The DSM lists psychiatric disorders and their corresponding diagnostic codes. Each disorder included in the manual is accompanied by a set of diagnostic criteria and text containing information about the disorder, such as associated features, prevalence, familial patterns, age-, culture- and gender-specific features, and differential diagnosis. Insurers, regulatory agencies, pharmaceutical companies, among others, routinely use the DSM.

Under the current manual and state law governing group coverage, individuals who meet the criteria for having autism are diagnosed with autistic disorder, Asperger's Syndrome, Pervasive Developmental Disorder-Not Otherwise Specified (PDD-NOS), Childhood Disintegrative Disorder, or Rett's Disorder.

The Board of Trustees of the American Psychiatric Association approved the next (fifth) edition of DSM in December 2012, which will be published in May 2013. Some people believe this edition will result in fewer individuals being diagnosed with autism spectrum disorders, while others believe the opposite.

COMMENT***Unclear Reference***

The bill ties the coverage mandate to the fourth edition of the DSM. There are two versions of this edition. The first version (DSM-IV) was adopted in 1994 and the second (DSM-IV-TR) in 2000. According to a [factsheet](#) produced by the American Psychiatric Association, most of the changes between the versions were minor. However, there were substantive changes in the diagnostic criteria for PDD-NOS. As a result, some individuals would be eligible for services under the bill under one version of the DSM but not the other, and the bill does not specify to which version it refers.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 15 Nay 3