



## Ohio Association of Health Plans

*Representing Ohio's Health Insurers*

March 31, 2009

The Honorable Lorraine M. Fende, Chair  
House Healthcare Access and Affordability Committee  
Ohio House of Representatives  
77 South High Street  
Columbus, Ohio 43215

Dear Representative Fende:

I am writing to offer comments on H.B. 8 which proposes to require coverage of certain services for persons with Autism. I have been out of town and unable to testify in person. Due to the potential vote of the bill scheduled for March 31, I wanted to ensure we provided you and the committee with information on the impact the bill may have on the cost and availability of health insurance in Ohio.

The Ohio Association of Health Plans (OAHP) is the statewide trade association representing health insurance companies that provide health care to over six million Ohioans. Our mission is to promote and advocate quality care and access to a variety of affordable health care benefits for all Ohioans.

While we are sympathetic to those diagnosed with autism, we do have concerns about the potential impact this coverage mandate could have on the cost of health insurance for small employers and those who purchase insurance in Ohio's individual insurance market. OAHP is also concerned about provisions in the bill that could impede health insurers' ability to ensure that consumers receive quality, evidenced based care.

### **Cost**

As you know, actuaries, insurers and health economists agree that virtually all mandates increase the cost of health insurance. The amount of increase depends on the coverage a group or individual is currently purchasing. Several states that are considering autism coverage legislation have conducted an analysis of potential cost increases. For example:

- In Virginia, conservative yearly premium increases were calculated to range from \$21.8 million a year to \$65.4 million a year.
- An independent actuarial review of a proposed mandate in Oklahoma estimated yearly premium impacts from \$50.1 million to \$126.3 million.

- South Carolina estimated a \$450 million increase in yearly premiums.

A review of the LSC Fiscal Note of H.B. 8 indicates that the cost to the state Medicaid system, the health benefits of state employees, municipalities, townships and school districts would all be in the “millions of dollars” and in the case of Medicaid in tens of millions of dollars. The very general LSC estimates indicate that there should be further study as to how significant the real costs of the proposed benefit mandate will cost the various government programs. We believe the costs due to passage of the bill are likely to be on the highest side of potential estimates due to the broad scope of coverage, lack of qualifications for providers of the services, new impediments to ensuring payment of quality care

### **Scope of Coverage**

One of the main drivers that will determine the cost impact of providing new benefits to Ohioans is the scope of the coverage required in H.B. 8. The scope of the bill appears to be far reaching and appears to potentially include non medical services that are focused on improving social behavior or educational services. Additionally, the legislation would allow the Director of the Ohio Department of Health to require coverage of any other treatments without any additional legislative oversight.

There is also concern that the definition of “habilitative or rehabilitative care” is too broad. Neither Medicaid and Medicare provide for habilitative care, which is typically part of long term care, not acute care payment structure. Such long term care costs have also not been typically provided through routine medical insurance. This sets a precedence that has the potential to substantially change the scope of health insurance benefits going forward.

To help limit the cost impact, a majority of states that have passed legislation to cover services to individuals diagnosed with autism are more limiting than what is being considered in Ohio. Most have a more narrow definition of coverage, and include age and dollar limits and other safeguards to limit the cost impact of the basic requirement. Based on a review of the Ganz study on the costs of Applied Behavior Analysis services, it would be reasonable to include an annual limit of \$32,000 for services provided to those up to and including age 6 and limit of \$4,000 for ages 7-18.

Additionally, H.B. 8 defines the term “medically necessary” in Ohio law. This is unnecessary. Ohio law already has a specific structure in place to resolve any dispute relating to medical necessity for all conditions. This process is overseen by the Ohio Department of Insurance and the decision of an independent medical expert (in the particular disease being reviewed) is binding on the health insurer.

### **Provider Qualifications**

In addition to the cost impact of the scope of coverage, additional costs are incurred based upon lack of standards in H.B. 8 for the qualifications of providers of these services, particularly ABA providers. Our member health insurers have serious concerns about setting the precedent in Ohio law of requiring reimbursement of unlicensed providers. It also would be very difficult for health insurers to develop a network of “unknown providers” who are not licensed. Out of network unlicensed providers would not only be disturbing from a quality of care perspective, but also health care consumers could see very high out of pocket costs due to providers being able to balance bill. OAHIP recommends that H.B. 8 be amended to require that autism service providers be Certified Behavior Analysts, administered by the Behavior Analyst Certification

Board. The Board requires training verification, continued re-certification, compliance with ethical standards, and undertakes disciplinary actions.

Additionally, we also recommend that services provided be rendered through providers that have a contract with the health insurer. Last year, the General Assembly approved SB 5 which requires insurers to cover routine costs for patients in clinical trials. This bill included a provision to only require reimbursement for the services if the provider of the services agreed to a contract with the health plan. It was recognized at that time that a state law mandating payment for services, could provide incentives for the cost of those services to increase dramatically. The language in HB 8 should mirror the language from SB 5. This provision would help slow the increased cost of premiums and significantly reduce the cost to consumers who would pay substantially less in co-pays and deductibles if this provision is included in the bill.

### **Impediments to Ensuring Quality Care**

Health insurers today spend millions of dollars to provide disease management programs and coverage for preventive measures to insure that consumers are receiving the quality care they deserve. In addition, health plans review provider prescribing practices to determine if they are within accepted standards of care set by respected national bodies. Certain provisions in H.B. 8 could impede the ability of health insurers to adequately perform these functions. These provisions include: (1) The total prohibition on insurers being able to establish any reasonable limits on the number or duration of visits; and (2) The provision that insurers cannot review any treatments being provided more frequently than once every 12 months.

In summary, while mandated benefits mean that people with health insurance have more care options, it also means that fewer people will be insured. When employers who canceled their employees' health insurance have been polled on why they did, the majority claimed that it was because the price was too high. As individuals lose jobs in our worsening economy, many will look to the individual market to provide coverage. Adding an autism coverage mandate will only increase costs for those grappling with increased financial pressures.

Thank you for the opportunity to present our concerns. If you have further questions, please do not hesitate for contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Kelly McGivern". The signature is fluid and cursive, with a large initial "K" and "M".

Kelly McGivern  
President and CEO  
Ohio Association of Health Plans