



**Testimony of
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House Government Accountability and Oversight Committee
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Chairman Brown, Vice Chair Blessing, Ranking Minority Member Clyde, and members of the House Government Accountability and Oversight Committee, I am Miranda Motter, President and CEO of the Ohio Association of Health Plans (OAHP). Thank you for the opportunity to testify on behalf of OAHP regarding House Bill 350 (HB 350), legislation which mandates autism coverage in fully insured large group plans, grandfathered plans and grandmothers/transitioned plans.

OAHP is the leading state trade association representing the health insurance industry. OAHP members provide health benefits to more than 9 million Ohioans through employer-sponsored coverage, the individual insurance market, and public programs such as Medicare and Medicaid. OAHP's core mission is to promote and advocate for quality health care and access to a variety of affordable health insurance benefits for all consumers in Ohio.

I am testifying today to provide this Committee an understanding relative to the state of autism coverage today in Ohio. I am also here today to voice OAHP's continued concern about the growing cost of health care for Ohioans. OAHP, like many of the other opponents testifying before the Committee today, does not dispute the fact that there is great concern that the rates of autism are increasing at an alarming pace and that autism is very, very difficult issue for families that have a loved one that has been diagnosed with autism spectrum disorder. I am also not here to suggest that this isn't an issue that policy makers should face head on. However, I am here to share OAHP's perspective relative to the coverage mandate solution proposed in HB 350 and OAHP's concern with coverage mandates because of the upwards pressure on health insurance costs they cause -- upwards pressure that will ultimately impact the affordability of a state's

health insurance coverage. I trust the information that I share will serve as a resource and assist this Committee as it deliberates on HB 350.

There is autism coverage in Ohio today. Under the Affordable Care Act, non-grandfathered health plans offered in the individual and small group markets, both inside and outside of the Exchanges, must offer a package of items and services, known as the Essential Health Benefits (EHB). EHBs must include items and services within at least 10 categories of coverage. One category of required coverage of EHB is “rehabilitative and habilitative services.” Each state has in place a benchmark plan that includes coverage for all required EHB health care items and services. This is known as a state benchmark plan. In December of 2012, Governor Kasich exercised his authority under federal regulations (45 CFR § 156.110(f)) to define “habilitative services” for purposes of Ohio’s benchmark plan because the benchmark selected for Ohio did not provide for habilitative services. In that December 2012 letter, the Governor defined “habilitative services” as including services for children (0-21) diagnosed with Autism Spectrum Disorder. (See <http://insurance.ohio.gov/Company/Documents/Habilitative%20Services%20Letter.pdf>). As a result, there is autism coverage for children as the non-grandfathered plans offered in the individual and small group markets –inside and outside the health insurance Exchange (Exchange) -- must provide benefits for Autism Spectrum Disorder as defined in that December 2012 letter.

Ohio’s health insurance consumers have options relative to accessing coverage for autism. Because non-grandfathered plans in the individual and small group markets -- both inside and outside the Exchange, must offer EHB, Ohioans do have access to autism coverage through these products.

The autism coverage mandated under HB 350 appears to be more comprehensive than what is required in non-grandfathered individual and small group market. The language pending before this Committee would mandate autism coverage that appears to go beyond what is required in the non-grandfathered individual and small group market per the Governor’s December 2012 letter. While OAHF continues to review the details of the bill’s

coverage requirements, our initial analysis is that HB 350 imposes additional requirements that exceed the scope of what is required under the definition of “habilitative services.” One example that we have identified is the bill’s limitation on a health insurer’s review of treatment plans. In Divisions (D) of both Sec. 1751.84 and 3923.84, except for inpatient services, if an insured is receiving treatment for autism spectrum disorder, a health plan may only review a treatment plan annually unless the treating physician or psychologist agree to a more frequent review. This language may limit a health plan’s ability to apply case management principles to autism benefit, restrict a plans ability to review a patient’s progress on established treatment plan goals, and ultimately limit a plan’s ability to ensure the quality of the services being given by the provider. In short, this treatment plan review restriction would make the benefit subject solely to the prescribing physician’s opinion as to what services must be covered – which could have cost and quality implications.

Additionally, HB 350 mandates coverage for the “screening, diagnosis, and treatment of autism spectrum disorder” and then defines “treatment of autism spectrum disorder” as including a broadly defined set of services. Again, this appears to go beyond the benefits required as part of Ohio’s habilitative service benefit requirements, and thus would likely impact the initial cost estimate provided to this Committee that looked at the Ohio Department of Administrative Services costs for implementing a less comprehensive habilitative service autism mandate.

Applicability. It is important to understand which health insurance markets HB 350 will impact. HB 350 specifically states that the mandate would not apply to the non-grandfathered individual and small group markets. Additionally, due to federal ERISA restrictions, HB 350 will not apply to the self-insured market.

HB 350 does apply to: (1) grandfathered plans, (2) “grand-mothered” (or transitional) plans and the fully insured large group market.

- Grandfathered health plans are not required to cover EHBs. A plan may be considered grandfathered if it existed on March 23, 2010 and has covered at least one person continuously since that date. Grandfathered plans, however, must comply with state law and thus as a state mandate, HB 350 would add additional coverage requirements to grandfathered plans.

- "Grand-mothering" is the term the federal government originally used in November of 2013 to allow consumers to keep health insurance policies that didn't meet ACA standards. Later in March of 2014, the federal government announced extension of this transitional policy for individual and small group health plans. Under the extension, the transition policy has been extended to policy years beginning on or before Oct. 1, 2016. This means individuals and small businesses may be able to keep their non-ACA compliant coverage into 2017, depending on the policy year. The practical impact of this transitional policy is that it allows small business healthcare plans not eligible for grandfathering to be "grand-mothered" – which postpones (or extends to a future date) the cost increases that will result from moving to an ACA compliant plan. The final decision to allow grand-mothering rested with each state's insurance department. Ohio has allowed this extension (See ODI Bulletin 2013-01 and 2014-01). Like grandfathered plans, grand-mothered plans must also comply with state law and thus they will also be subject to the coverage requirements under this bill and the associated cost impact.

In conclusion, I want to thank the Committee for the opportunity to provide information relative to the state of autism coverage today and OAHP's opposition to the mandate approach outlined in HB 350. As previously stated, OAHP member plans are becoming more and more concerned with respect to access and affordability of health care coverage for Ohioans. Health plans continue to innovate with ongoing efforts in Ohio and across the country that are transforming the health care delivery system, providing integrated care with collaborative provider partnerships, and providing tools and data to help consumers make informed decisions. Over the past thirty plus years, the health insurance industry has incrementally transformed from a payer of health insurance claims to an active participant working with health care providers to improve the quality of health care in a cost-effective manner. Innovation and continued transformation is not an option anymore for our industry. Today, it is expected. Purchasers of health insurance coverage – from employers, individuals and states – are demanding it. And, Ohio has been at the forefront in terms of setting policy agendas that insist on improved quality of health care in a cost-effective manner.

It is through these lenses of expectation, innovation and affordability that OAHP member plans review policy measures that impact health care coverage cost and quality. Coverage mandates not only take away the flexibility of health care consumers – whether they are individuals, small employers, large employers or public programs – but they also make it harder for health plans to keep health insurance coverage affordable and to ensure quality of care of health care services and medications.

On behalf of OAHP member plans, thank you for the opportunity to share information relative to the current state of autism coverage and our concerns with the mandate approach in HB 350. On behalf of OAHP member plans, I urge you to vote against HB 350.