

State Corporation Commission 2017 Fiscal Impact Statement

1. Bill Number: SB1590

House of Origin Introduced Substitute Engrossed
 Second House In Committee Substitute Enrolled

2. Patron: Wagner

3. Committee: Commerce and Labor

4. Title: Health insurance; coverage for autism spectrum disorder.

5. Summary: Requires health insurers, health care subscription plans, and health maintenance organizations to provide coverage for the diagnosis and treatment of autism spectrum disorder in individuals of ages two-twelve from and after January 1, 2018. Currently, such coverage is required to be provided for individuals from age two through age ten. The provision applies with respect to insurance policies, subscription contracts, and health care plans delivered, issued for delivery, reissued, or extended on or after January 1, 2018.

6. Budget Amendment Necessary: The Department of Human Resource Management states Yes – Item 475 (Compensation and Benefit Adjustments)

7. Fiscal Impact Estimates: Preliminary – see Item 8.

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2017	\$0	
2018	\$52,480	General
2019	\$52,480	General
2020	\$52,480	General
2021	\$52,480	General
2022	\$52,480	General
2023	\$52,480	General

8. Fiscal Implications: There is no fiscal impact on the State Corporation Commission.

However, based on data provided by the state’s health insurance carriers to the Department of Human Resource Management, increasing the age limit from 10 to 12 for the diagnosis and treatment of autism spectrum disorder would result in an annual fiscal impact of approximately \$128,000 beginning in fiscal year 2018 to the state health plan. Assuming the general fund share of the state health insurance plan is 41 percent, the estimated annual general fund cost is \$52,480. The general fund portion of costs associated with the employer’s share of premiums paid for the state’s health plan would have to be adjusted as a result of this legislation; therefore, a budget amendment is required.

9. Specific Agency or Political Subdivisions Affected: Department of Human Resource Management and Administration of Health Insurance; State Corporation Commission Bureau of Insurance

10. Technical Amendment Necessary: No.

11. Other Comments: Bills relating to the treatment of autism spectrum disorder by applied behavior analysis and the providers of such services have been introduced in almost every legislative session from 2009 to present. Several bills similar to the current autism/applied behavior analysis mandate in § 38.2-3418.17 were introduced and defeated prior to passage by the 2011 General Assembly. Following passage of the current mandate in § 38.2-3418.17, additional bills have become effective establishing the Behavior Analysis Certification Board and a Behavior Analysis Advisory Board.

The 2015 General Assembly amended the mandate to expand the applicable age for applied behavior analysis from ages 2-6 to 2-10 and to clarify that the mandate should not be applicable to the small employer market, even if the size of a small employer was expanded. During the 2016 Session, House Bill 255 was introduced to include applied behavior analysis in the definition of “treatment,” indicating that a licensed behavior analyst or licensed assistant behavior analyst may render treatment when an insurance policy requires treatment by a licensed mental health professional. That bill was left in the Commerce Labor Committee.

The provisions of this bill should not require the Commonwealth to defray costs for the autism mandate since it is an expansion of an existing mandate instead of an addition to the essential health benefits. Additionally, this requirement does not apply to the individual and small group markets, and is not an essential health benefit.

Date: 02/15/17/V. Tompkins