

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: SB 555 - A**Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session  
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Date: 5/3/11**Measure Description:**

Adds new definitions and requirements for health insurance coverage of autism spectrum disorders.

**Government Unit(s) Affected:**

Department of Consumer and Business Services (DCBS), Oregon Health Authority (OHA)

<b>Summary of Expenditure Impact</b>		
	<b>2011-13 Biennium</b>	<b>2013-15 Biennium</b>
Other Funds	13,326,258	27,636,688
<b>Total Funds</b>	<b>\$13,326,258</b>	<b>\$27,636,688</b>
Positions	0	0
FTE	0.00	0.00

**Local Government Mandate:**

This bill may affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**Analysis:**

The proposed legislation creates provisions that expand coverage related to autism spectrum disorders that is included in commercial medical plans offered through the Public Employees' Benefit Board (PEBB) and the Oregon Educators Benefit Board (OEBB). The measure requires that subject health insurance policies provide coverage for the screening, diagnosis and treatment of autism spectrum disorders without being subject to utilization controls regarding the number or frequency of visits, except that applied behavioral analysis may be limited to 87 hours per month, or duration of treatment, dollar limits, deductibles and other provisions with the exception that medical plans offered by PEBB and OEBB may be subject to a separate annual deductible of up to \$500, a coinsurance requirement of up to 20 percent, and no annual out of pocket expense limit. This expanded coverage is expected to increase the costs and premium rates of the plans.

The two primary drivers of expenditures by insurance companies related to autism spectrum disorders are the prevalence of the condition and the allowed treatment provided. The proposed legislation requires expanded coverage for screening and diagnosis, potentially increasing the number of cases diagnosed. The proposed legislation also includes expanded coverage for treatment including the prohibition of certain treatment limitations. To estimate the potential for diagnostic impact, PEBB used estimates provided by the Centers for Disease Control as adjusted for membership demographics. A similar methodology was used in estimating the diagnostic impact for OEBB.

The largest expected impact on costs for both programs, however, is the expanded treatment coverage for behavioral interventions due to provisions in the legislation specifying the coverage being subject to maximum utilization controls and cost sharing limits. Current policies cover testing and medical treatment, including rehabilitative services that are medically necessary to improve the health of the

individual. One of the therapies generally not covered but specifically included in the bill and cited by PEBB in estimating the cost of the additional coverage is Applied Behavior Analysis (ABA), also known as the Lovaas technique. These therapies are most cost intensive up to the age of seven; additional therapies that continue between the ages of seven and 18 are of significantly lower cost. The measure provides a definition for and allows for the limiting of the monthly number of hours covered for applied behavior analysis of individuals who are 11 years of age or younger.

The projected resultant impact on premium cost would be an increase of \$6.6 million for PEBB and \$6.73 million for OEBC in the 2011-13 biennium.

The Insurance program of the Department of Consumer and Business Services reports that the proposed legislation would have a minimal fiscal impact to their agency and any additional expenditures required would be absorbed using their current resources.