

HCS SB 894 -- INSURANCE COVERAGE

SPONSOR: Dempsey (Wilson, 130)

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Health Insurance by a vote of 13 to 0.

This substitute changes the laws regarding health insurance coverage for Medicare-eligible state employees and coverage for autism spectrum disorder.

HEALTH INSURANCE COVERAGE FOR MEDICARE-ELIGIBLE STATE EMPLOYEES

Currently, when a state employee becomes eligible for the Missouri Medicare Program, the employee's primary health benefit plan is the state-sponsored health benefit plan and Medicare is the supplemental plan; however, the state-sponsored plan must provide the same benefits as those provided by the Medicare plan. The substitute requires the state plan to provide actuarially equivalent benefits as compared to Medicare, but Medicare must act as the primary benefit plan when Medicare would provide equal or better benefits than the state-sponsored health benefit plan.

HEALTH INSURANCE COVERAGE FOR AUTISM SPECTRUM DISORDER

The substitute establishes provisions regarding health insurance coverage for the diagnosis and treatment of autism spectrum disorder (ASD). The substitute:

- (1) Establishes the Behavior Analyst Advisory Board under the State Committee of Psychologists within the Department of Insurance, Financial Institutions and Professional Registration to establish licensure and registration requirements for behavior analysts, assistant behavior analysts, and line therapists who provide applied behavior analysis therapies to children with ASD;
- (2) Requires all group health benefit plans that are delivered, issued, continued, or renewed on or after January 1, 2011, written inside or outside the state, to provide coverage for the diagnosis and treatment of ASD;
- (3) Requires the department director to grant a small employer who offers a group health plan a waiver from offering ASD coverage if the employer demonstrates by actual experience over any consecutive 12-month period that the cost of providing the coverage has resulted in at least a 2.5% increase in health plan premium costs to the employer over a calendar year;
- (4) Prohibits carriers from denying or refusing to issue insurance coverage on, refusing to contract with, refusing to

renew or reissue coverage on, or terminating or restricting coverage on an individual or his or her dependent because the individual is diagnosed with ASD;

(5) Limits the coverage provided by an insurance carrier for ASD to medically necessary treatment that is ordered by the insured individual's licensed treating physician or psychologist in accordance with a treatment plan. An ASD treatment plan must include all elements necessary for a health benefit plan or carrier to pay the claim. Except for inpatient services, the health benefit plan or carrier can review, at its expense, the treatment plan not more than once every three months unless the individual's treating physician or psychologist agrees that a more frequent review is necessary;

(6) Specifies that coverage for an individual younger than 19 years of age for the applied behavior analysis (ABA) services will have a maximum benefit of \$36,000 per year with no limit on the number of visits to an ASD service provider. No coverage will be required for an individual older than 18 years of age. Coverage of services may be subject to general exclusions and limitations of the contract or benefit plan including coordination of benefits, services provided by family members, and utilization review of health care services but cannot be denied on the basis that it is educational or habilitative in nature;

(7) Prohibits ASD services from being subject to any greater deductible, co-insurance, or co-payment than other physical health care services provided by the health benefit plan. Payments and reimbursements for ABA services can only be made to an ASD service provider with certain specified exceptions;

(8) Requires these provisions to apply to any healthcare plan issued to employees and their dependents under the Missouri Consolidated Health Care Plan that is delivered, issued, continued, or renewed on or after January 1, 2011. These provisions also apply to plans that are established, extended, modified, or renewed on or after January 1, 2011, by self-insured governmental plans, self-insured group arrangements, multiple employer welfare arrangements, and self-insured school district health plans;

(9) Exempts the MO HealthNet Program and supplemental insurance policies from the provisions of the substitute;

(10) Specifies that a health carrier or other entity that is subject to these provisions is not required to reimburse for ASD services provided by any school-based service;

(11) Requires individual health benefit plans to offer ASD coverage as an option but will not automatically be applied to an individually underwritten health benefit plan; and

(12) Requires, beginning February 1, 2012, the department to submit an annual report to the General Assembly regarding the implementation of the coverage and specified cost analysis data for ASD service claims from health insurers.

FISCAL NOTE: Estimated Income on General Revenue Fund of Unknown exceeding \$288,496 in FY 2011, Unknown exceeding \$576,992 in FY 2012, and Unknown exceeding \$576,992 in FY 2012. Estimated Effect on Other State Funds of a cost of Unknown to an income of Unknown in FY 2011, FY 2012, and FY 2013.

PROPOSERS: Supporters say that the bill will allow the Missouri Consolidated Health Care Plan to design a benefit package for retirees that is equal or better than what they currently have. It will also save the state between \$2 and \$3 million by utilizing the federal government's Medicare Program. Retirees' benefits should be the same as active employees which eliminates the ability to utilize Medicare benefits. The bill will still provide that same benefit package for retirees, but will allow a cost savings by utilizing federal programs administered through Medicare instead of using the health carrier as the intermediary and will include full vision and dental benefits, which is not currently offered. The bill will make Medicare the primary payor or the first payor of the plan benefits instead of the health carrier. Currently, the law prohibits the Missouri Consolidated Health Care Plan from enforcing these provisions without a change in statute.

Testifying for the bill were Senator Dempsey; and Missouri Consolidated Health Care Plan.

OPPOSERS: There was no opposition voiced to the committee.