NEIL ABERCROMBIE
GOVERNOR OF HAWAII

GARY L. GILL
ACTING DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

LATE

House Committee on Health

HB 2225, Relating to Health

Testimony of Gary L. Gill
Acting Director of Health

January 31, 2014

Department's Position: The Department strongly supports this bill. Requiring insurers to provide autism therapeutic coverage improves the long term outcomes for persons with autism and reduces the burden of care on their families. Intensive behavioral interventions provided for children are evidenced based and a recognized best practice. Children with these interventions achieve better outcomes in socialization, employment and exhibit less challenging behaviors as they become adults.

Fiscal Implications: The Department recognizes that this bill impacts insurance rates for all citizens. The cost for families with children with autism is significant. The National Institute of Health has reported that one third of families with children with autism expend more than three percent of their annual income on autism therapies. For some families with children with autism, extreme behaviors create a great financial burden on families that can create major family stress and financical crisis. Intensive treatment for autism for children does ameliorate challenging behaviors and lessens the life long dependency upon Medicaid Home and Community Based personal assistance. The fiscal implications to the Department of Health are lowered costs of long term care.

Thank you for this opportunity to testify.

NEIL ABERCROMBIE
GOVERNOR

SHAN S. TSUTSUI
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KEALI`I S. LOPEZ
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

TO THE HOUSE COMMITTEE ON HEALTH

TWENTY-SEVENTH LEGISLATURE
Regular Session of 2014

Friday, January 31, 2014
8:30 a.m.

TESTIMONY ON HOUSE BILL NO. 2225 – RELATING TO HEALTH.

TO THE HONORABLE DELLA AU BELATTI, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is Gordon Ito, State Insurance Commissioner, testifying on behalf of the Department of Commerce and Consumer Affairs ("Department"). The Department takes no position on the bill, and submits the following comments:

This bill adds a new mandated health insurance benefit requiring health insurers, mutual benefit societies, and health maintenance organizations to cover the treatment of autism spectrum disorders.

Adding a new mandated coverage may trigger section 1311(d)(3) of the ACA, which requires states to defray the additional cost of benefits that exceed the essential health benefits in the state's qualified health plan.

We thank the Committee for the opportunity to present testimony on this matter.

NEIL ABERCROMBIE
GOVERNOR

PATRICIA MCMANAMAN
DIRECTOR

BARBARA A. YAMASHITA
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

January 31, 2014

TO: The Honorable Della Au Belatti, Chair
House Committee on Health

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 2225 - RELATING TO HEALTH**

Hearing: Friday, January 31, 2014; 8:30 a.m.
Conference Room 329, State Capitol

PURPOSE: The purpose of this bill is to require health insurers, mutual benefit societies, and health maintenance organizations to provide coverage for treatment of autism spectrum disorders subject to a maximum benefit of $50,000 per year and a maximum lifetime benefit of $300,000.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) provides the following comments for consideration regarding the provision of autism spectrum disorders.

Should ABA be covered in Medicaid, the DHS estimates a projected total cost of $135 million to serve children up to age 19 years, of which $24.9 million would be DHS's cost, including federal funds.

The Department of Human Services conducted a study, between legislative sessions, on the cost of Medicaid coverage of applied behavioral analysis (ABA) to treat autism. While the population effect size of ABA is unclear, research has focused on children younger than 6 years

of age and as children grow older, ABA treatment hours generally diminish. Should ABA be covered in Medicaid, the DHS estimates its annual total cost would be $24.3 million to serve children up to 6 years of age, of which approximately half would be federally funded. This measure would create a new standard of care and in effect defines applied behavioral analysis (ABA) as being medically necessary. These factors would result in Medicaid being required to cover ABA under Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) requirements. The Hilopa'a Project completed a comprehensive analysis that was utilized by the DHS and is included as an attachment to our testimony.

In Hawaii, the Department of Health (DOH) Early Intervention Program provides services to Medicaid beneficiaries ages 0-3 years who met eligibility criteria, and the Department of Education (DOE) Special Education program provides services during the school day for children beginning at age 3 years. The DHS would be responsible for services provided outside of the school day and for services not covered by DOE. While the DOH and the DOE would be responsible for funding the state share of the services, DHS would be responsible for accessing federal matching funds for the DOH and the DOE services for Medicaid qualified children.

Summary of the potential annual costs of covering ABA in Medicaid

	# Medicaid Children	Total Service Hours*	Total Cost** $ Millions	DOH***		DOE***		DHS	
				%	$ M	%	$ M	%	$ M
0-3	105	138,969	$10.7	100%	$10.7	0%	$0	0%	$0
3-6	1,145	1,556,055	$121.3	0%	$0	80%	$97.6	20%	$24.3
6-19	428	40,011	$3.2	0%	$0	80%	$2.0	20%	$0.6
Total	1,573	1,630,575	$135.2		$10.7		$99.6		$24.9

* Assumes an average of 1.5 cycles per year for 6-19 year olds

** Assumes $75/hr reimbursement for direct services and $100/hr for supervision, assessment and parent training; approximately half of cost would be federally funded

*** Additional funding may not be necessary if these programs already cover the service

Certain individuals may benefit from ABA, but whether the population of individuals with autism has a clinically significant benefit is unclear. Most studies have evaluated the effectiveness of ABA in children younger than 6 years old with autism, and the treatment intervention was typically no less than 20 hours per week of ABA. A 2012 Cochrane systematic review concluded:

> Early intensive behavioral intervention (EIBI) is one of the most widely used treatments for children with autism spectrum disorder (ASD). The purpose of our review was to examine the research on EIBI. We found a total of five studies that compared EIBI to generic special education services for children with ASD in schools. Only one study randomly assigned children to a treatment or comparison group, which is considered the 'gold standard' for research. The other four studies used parent preference to assign children to groups. We examined and compared the results of all five studies. A total of 203 children (all were younger than six years old when they started treatment) were included in the five studies. We found that children receiving the EIBI treatment performed better than children in the comparison groups after about two years of treatment on tests of adaptive behavior (behaviors that increase independence and the ability to adapt to one's environment), intelligence, social skills, communication and language, autism symptoms, and quality of life. The evidence supports the use of EIBI for some children with ASD. **However, the quality of this evidence is low as only a small number of children were involved in the studies and only one study randomly assigned children to groups** [emphasis added].[1]

This bill states that ABA is evidence-based, but evidence-based experts would disagree because there is not good quality evidence of effectiveness.

The U.S. Preventive Services Task Force (USPSTF) is considered the gold standard for clinical preventive services, and under the Affordable Care Act, insurers must cover services that receive an A or B recommendation by the USPSTF without requiring a co-payment. A recommendation of C would mean that there is evidence of benefit, but the benefit is small and the service is not routinely recommended to be provided; a recommendation of I would mean

[1]http://summaries.cochrane.org/CD009260/early-intensive-behavioral-intervention-eibi-for-increasing-functional-behaviors-and-skills-in-young-children-with-autism-spectrum-disorders-asd

that there is insufficient evidence, i.e. that the service is not evidence-based. The USPSTF is currently developing an evidence report and recommendation on screening for autism spectrum disorders. The report will evaluate the effectiveness of screening for children ages 12-36 months and of treatment for children ages 0 to 12 years.[2]

Thank you for the opportunity to testify on this measure.

[2]http://www.uspreventiveservicestaskforce.org/uspstf13/speechdelay/spchfinalresplan.htm

ABA Utilization Projection for Hawaii Medicaid

The following assumptions serve as the basis for projecting utilization of Applied Behavior Analysis services for the children enrolled in the Hawaii Medicaid program.

1. Prevalence

1.1. National statistics indicate 1:88 children have Autism Spectrum Disorder (ASD), ranging in intensity from classic autism to Asperger's Syndrome

1.2. Population of children 18 and under in Hawaii for 2012 - 303,818

1.3. Total estimated children in Hawaii with an ASD – 3,452

1.4. Total children served by Department of Heath Early Intervention Section (DOH/EI) receiving ABA services, and Department of Education Special Eduation (DOE) who an eligibility of Autism or Developmental Delay – 3,486

1.4.1. Since the two numbers are so close, this projection will utilize the number reflecting identifiable children, the DOH, DOE combined number

1.5. Studies show there is no higher prevalence of ASD in children who are Medicaid eligible than those who are not

1.6. Using 3-month continuous eligibility for 90 days, 154,000 children are in the state Medicaid program, which equates to 47% of the 0-18 population

1.7. Applying the 47% to the total children served – 1,624

2. Treatment

2.1. Evidence shows that the most effective use of ABA are in the child's early years

2.2. Studies indicate for a child under the age of 3, between 25-30 hours a week of services ramping up to potential 40 hours a week at age 3 show significant improvement – these hours of services are across settings

2.3. For children over the age of 3, the general practice is to front load the intensive hours of treatment during the younger years and taper off the hours

2.4. As children grow older, the need for ABA services may be required to address targeted maladaptive behaviors triggered by puberty, emerging co-morbidities, as well as significant transitions

2.5. Typical utilization patterns (which have anecdotally been shared) indicate that families do not utilize all the hours that are authorized, as the rigor of an intensive program is quite difficult on families

2.6. ABA services would include 1) Assessment, 2) Plan Development, 3) Direct 1:1 service, 4) Service Supervision, and 5) Family Training

2.7. Ratio of supervision hours to direct service is 1:10

2.8. Current service provision of Assessments in the DD/MR Waiver are 30 hours to complete assessment, develop report, plan and provide initial family training

3. Projection Assumptions

3.1. Not all children will require the same level of high intensity

3.2. Comprehensive Intensive ABA services would be made available age 0-8

3.2.1. Literature indicates intensive services on general population is 0-6

3.2.2. Extended to age 8 due to health literacy for parent involvement and ability to provide stimulation rich environment to support services

3.3. Focused ABA services would be made available 8-19
  3.3.1. Literature indicates service provision should be individualized and made available
  3.3.2. For this exercise, the following tiered structure is proposed to be able to make some assumptions
    3.3.2.1. Preventive Planning and Intervention
      3.3.2.1.1. Preventive Planning and Intervention would be provided to identify early emerging problems as well as anticipated intervention needs to "pre-plan" for upcoming events which would require skilled intervention (e.g., preparing for puberty, etc.)
      3.3.2.1.2. Prevention Planning and Intervention would be made available at the following regularly scheduled intervals
        3.3.2.1.2.1. Age 7 (i.e., for children not already receiving comprehensive intensive ABA)
        3.3.2.1.2.2. Age 10
        3.3.2.1.2.3. Pre-puberty (i.e., could identify a stage in puberty, Stage 2)
        3.3.2.1.2.4. Age 14
        3.3.2.1.2.5. Age 16
        3.3.2.1.2.6. Age 19-20
    3.3.2.2. Targeted Assessment and Treatment
      3.3.2.2.1. Targeted Assessment and Treatment would utilized on an as need basis to address behaviors that affect health and safety of the individuals or others (e.g., aggression, self-injurious behaviors, etc.) as well as behaviors that restrict the setting of the individual (e.g., eloping, masturbating in public, property destruction, etc.)
      3.3.2.2.2. It is difficult to project the frequency of the service
        3.3.2.2.2.1. Frequency and intensity should diminish if the proposed preventive planning and intervention service could be develop and implemented
        3.3.2.2.2.2. Targeted Asssessment and Treatment may overlap the Preventive Planning and Intervention or defer the need for the service, so assumption would be to not include a quantity for this measure

4. Service Provision

4.1. Services are provided by DOH/Early Intervention Program (EI)
  4.1.1. EI services are currently authorized to meet the childs total need across settings
  4.1.2. EI serve numbers are included in the estimate
  4.1.3. EI ABA services should be included to the matrix to draw down federal dollars
  4.1.4. There should not be a need to provide more hours beyond what is provided by EI
4.2. Services are provided by DOE Special Education
  4.2.1. DOE services are currently authorized to meet the child's education needs in the school setting
  4.2.2. There will be a need to provide services beyond what is provided by DOE
    4.2.2.1. DOE federal mandate does not include addressing in home interventions
    4.2.2.2. Unable to direct all children through DOE unlike EI
  4.2.3. 80-100% of the child's need could be provided by the DOE, and what remains as a state plan only benefit should be nominal
  4.2.4. DOE should have a higher success rate in properly claiming for these services as it is new and the ABA providers are much more meticulous in charting than other DOE therapists
4.3. The service is typically supervised by a Board Certified Behavior Analyst (BCBA)
  4.3.1. Tricare reimburses this at $125.00/hour
  4.3.2. BCBAs typically do not provide the 1:1 direct, hands on service

4.4. The direct service is typically provided by a paraprofessional behavior technician
4.4.1. Tricare reimburses this at $50.00/hour and $75.00/hour based upon provider credential
4.5. There does not appear to be uniformity in rates between DOE/DOH-EI/DOH-DD/MR

5. Projection

Step 1: Establish a child count

Total Number of Children																		
AGE	<3	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
DOE ASD		81	86	108	122	123	121	112	91	91	89	82	86	78	67	60	44	25
DOE Dev. Delay		527	648	621														
EIABA Services	224																	
Counts	224	608	734	729	122	123	121	112	91	91	89	82	86	78	67	60	44	25

Total Number of Children Targeted for Services											
AGE	<3	3	4	5	6	7	8	10	14	16	19
Combined DOE and DOH	224	608	734	729	122	123	121	91	86	67	25
% Medicaid	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%
Projection	105	286	345	343	57	58	57	43	40	31	12
Total	1,377										

Step 2: Establish a base for 100% participation and utilization

Comprehensive Intensive ABA Services								
Age	# of Projected Medicaid Children	Service	Hours per child per week	Weeks per year	Total Hours for all	% DOH/ EI	% SPED	Total Hours Not Carved Out: DHS
0-3	105	Direct Service	30	40	126,336	100%		0
		Supervision	3	40	12,633			0
3-6	1,145	Direct Service	30	40	1,374,000		80%	274,800
		Supervision	3	40	137,400			27,480
		Assessment	3	10	34,350			6,870
		Parent Training	1	9/mo	10,305			2,061
6-8	244	Direct Service	3	40	29,280		80%	5,856
		Supervision	3	10	7,320			1,464

Comprehensive Intensive ABA Services								
Age	# of Projected Medicaid Children	Service	Hours per child per week	Weeks per year	Total Hours for all	% DOH/ EI	% SPE D	Total Hours Not Carved Out: DHS
		Assessment & Parent Training	1	9/mo	2,196			439

Focused ABA Services					
Age	# of Projected Medicaid Children	Service	Hours per child per cycle	% SPED	Total Hours Not Carved Out: DHS
7	58	Direct Service	120	80%	1,392
		Supervision	12	80%	139
		Assessment & Parent Training	30	20%	1,392
10	43	Direct Service	120	80%	1,032
		Supervision	12	80%	103
		Assessment & Parent Training	30	20%	1,032
14	40	Direct Service	120	80%	960
		Supervision	12	80%	96
		Assessment & Parent Training	30	20%	960
16	31	Direct Service	120	80%	744
		Supervision	12	80%	74
		Assessment & Parent Training	30	20%	744
19	12	Direct Service	120	80%	288
		Supervision	12	80%	29
		Assessment & Parent Training	30	20%	288

Step 3: Apply other factors against the base

Other factors could include:

- Participation rate, 100% of the services will not be utilized, in general
- Start up rate, service utilization would "ramp" up over a longer period of time
- Credentialing, as the Autism Bill currently is written, provision is not made for the technician level of direct service – which is a majority of the hours. The bill only supports qualified licensed providers and BCBAs

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To: House Committee on Health

From: Cheryl Kakazu Park, Director

Date: January 31, 2014 at 8:30 a.m.
State Capitol, Conference Room 329

Re: Testimony on H.B. No. 2225
Relating to Health

Thank you for the opportunity to submit testimony on this bill. The Office of Information Practices ("OIP") takes no position on the substance of this bill, which would require health insurers to provide coverage for autism spectrum disorders. OIP is testifying to ask for clarification of two references to chapter 92, HRS, at bill page 2, line 18, and bill page 9, line 9.

Both references permit the Insurance Commissioner to "post notice of and hold a public meeting pursuant to chapter 92." Part I of chapter 92, HRS, the Sunshine Law, does deal with public meetings, but it is does not set generic standards for holding a single public meeting. Rather, it applies to "boards," which are defined therein, and sets requirements not just for when a meeting must be open to the public and how to give notice, but also for when board members can communicate outside a meeting, what must be included in minutes, enforcement, and related matters. It is thus not possible for a single government official to "hold a public meeting pursuant to chapter 92" because the Sunshine Law's provisions are written to apply to a body of members that exists and regularly meets over a period of time.

A more appropriate standard to reference might be section 91-3(a), which sets out requirements for an agency to post notice of and hold a public hearing on proposed administrative rules. Alternatively, if this Committee still prefers to reference the Sunshine Law, OIP would suggest at least rephrasing the references as follows so that there is no implication that the Insurance Commissioner is expected to fully follow a set of requirements designed for deliberative bodies: "hold a public hearing that is publicly noticed as described in section 92-7 and is open to public attendance and testimony as described in section 92-3."

Thank you for the opportunity to testify.

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**TESTIMONY OF JAN K. YAMANE, ACTING STATE AUDITOR,
ON HOUSE BILL NOS. 2174 AND 2225,
RELATING TO HEALTH**

House Committee on Health

January 31, 2014

Chair Belatti and Members of the Committee:

Thank you for the opportunity to comment on HB 2174 and HB 2225, which would require health insurers, mutual benefit societies, and health maintenance organizations to provide coverage for autism spectrum disorder (ASD) treatments. The bills are substantively identical, with minor differences such as implementation date.

As you are likely aware, in 2009 our office published *Study of the Social and Financial Impacts of Mandatory Health Insurance Coverage for the Diagnosis and Treatment of Autism Spectrum Disorders* (Report No. 09-09). The report was produced pursuant to SCR No. 196, SD1 (2008), which requested the Auditor to conduct an impact assessment of mandating health insurance coverage for the diagnosis and treatment of autism spectrum disorders as provided in SB 2532, SD1 (2008). We applied criteria established in Chapter 23, HRS, *Auditor*; part IV, *Social and Financial Assessment of Proposed Mandatory Health Insurance Coverage.* We recommended the bill not be enacted.

Our 2009 report found that SB 2532, SD 1 (2008) would have amended Chapters 431 and 432, HRS, to require insurance coverage for the diagnosis and treatment of ASD with a maximum benefit of $75,000 per year and unlimited visits to providers. The current bills, HB 2174 and HB 2225, require a maximum of $50,000 per year and a maximum lifetime benefit of $300,000 but also with unlimited number of visits to service providers (HB 2174 at page 2, lines 12-13 and HB 2225 at page 2, lines 10-11).

We found the 2008 bill was problematic in defining the standard of care broadly so long as the care was prescribed, provided, or ordered by a licensed physician, psychologist, or registered nurse and determined to be "medically necessary." Under *medical necessity* as defined in Chapter 432E, HRS, health care insurers had the discretion to decide whether or not a treatment qualified as a covered benefit within its health plans even though the treatment was deemed medically indicated. As a result, health care insurers could have continued to deny coverage for educational interventions such as applied behavior analysis (ABA) based on the statutory definition under Chapter 432E, HRS. Both of the current bills have retained the "medically necessary" terminology (HB 2174 at page 7, lines 1-2 and 6; and HB 2225 at page 6, lines 16-17 and 21).

Our 2009 report also found the social impacts appeared minimal in Hawai'i, since both educational interventions and health services, including ABA, were generally available through the Department of Education and the Department of Health. In addition, health care insurers were providing partial coverage for the diagnosis and treatment of symptoms related to ASD through statutory mandates and provisions in health care insurance contracts. However, we concluded an increase in demand for service providers and significant financial impacts to

insurance carriers would have resulted if the bill were enacted, as families would have had the option of increasing the frequency of educational interventions such as ABA and health services. Moreover, costs could have potentially and unintentionally passed to health care insurers—and ultimately consumers—for treatments and services. We estimated that mandated insurance coverage could initially cost health insurers over $100 million per year to reimburse policy holders. Our estimate at the time was that, without inflation, payments for mandated services could exceed $1 billion up to the age of 21.

The current bills, HB 2174 and HB 2225, have added language prohibiting denial of coverage (Section 3, (f)); limiting insurers' request for review of treatment (Section 3, (g)); maintaining an obligation to provide other services (Section 3, (h)); conforming with the federal Patient Protection and Affordable Care Act of 2010 (Section 3, (i)); requiring criminal background checks for providers (Section 3, (j)); specifying equality in numbers of specialist providers (Section 3, (k)); and grandfathering diagnoses that meet current Diagnostic and Statistical Manual of Mental Disorders (DSM) as remaining eligible for coverage (Section 3, (l)). HB 2174 also mandates use of appropriately qualified personnel to oversee the program (Section 3, (m)). Other minor changes have also been made to the 2008 bill: "behavioral health treatment" is defined; coverage includes screening and wellness screening; and the definition of a health plan is revised and updated.

Thank you for the opportunity to provide these comments on HB 2174 and HB 2225. I am available to answer any questions you may have.

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LATE

January 31, 2014

The Honorable Della Au Belatti, Chair
House Committee on Health
Twenty-Seventh Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

Dear Representative Au Belatti and Members of the Committee:

SUBJECT: HB 2225 – Relating to Health

The State Council on Developmental Disabilities (DD) **SUPPORTS THE INTENT of HB 2225.** The bill requires health insurers, mutual benefit societies, and health maintenance organizations to provide coverage for autism spectrum disorder (ASD) treatment.

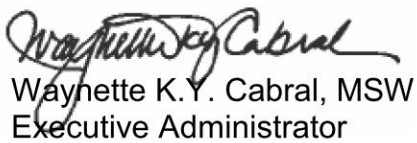
According to the U.S. Centers for Disease Control and Prevention, about 1 in 88 children have been identified with ASD. That rate is anticipated to significantly increase in the next decade. With this alarming rate, it is imperative that children with ASD are provided with early diagnosis and treatment. Evidence-based practice shows that early identification and treatment results in overall improved outcomes for children with ASD. Moreover, services provided early on may decrease or minimize long-term services and supports needed as the child becomes an adult and through the individual's lifetime

HB 2225 is a companion measure to SB 2054. Both of these bills mirror SB 668 SD2 HD1 that was addressed during the 2013 Regular Session, deferred in Conference Committee on April 26, 2013, and carried over to the 2014 Regular Session. These bills reflect the work and consensus of a large stakeholder group. It is our understanding from the joint Senate Health and Commerce and Consumer Protection Committees' hearing on SB 2054 on January 28, 2014 that the Insurance Commissioner will be working with the Committees' Chairs on establishing coverage for ASD treatment as a separate insurance code.

The Council acknowledges that HB 2225 is similar to HB 2174 with both bills providing coverage under 21 years of age for behavioral health treatment, pharmacy care, psychiatric care, psychological care, and therapeutic care. We acknowledge that both bills are a work in progress and appreciate the opportunity for continued discussions between the Legislature and stakeholders to flesh out the specific provisions of each bill.

Thank you for the opportunity to provide testimony supporting the intent of HB 2225.

Sincerely,



Waynette K.Y. Cabral, MSW
Executive Administrator

J. Curtis Tyler III
Chair

COMMUNITY CHILDREN'S COUNCIL OF HAWAII
1177 Alakea Street · B-100 · Honolulu · HI · 96813
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January 29, 2014

Representative Della Au Belatti, Chair
Representative Dee Morikawa, Vice-Chair
Chairs of the Health Committee – State Capitol

RE: HB2225 – Relating to Health
Health; Insurance; Mandatory Health Coverage; Autism Spectrum Disorders (ASD)
Requires health insurers, mutual benefit societies, and health maintenance organizations to provide coverage for autism spectrum disorder treatments.

The 17 Community Children's Councils (CCCs) **strongly support** HB2225. We agree that children with ASD benefit academically, socially and behaviorally from early diagnosis and treatment utilizing evidence-based interventions, such as applied behavior analysis. The 17 Community Children's Councils (CCCs) have been involved for the past several years in providing input to the development of this bill. We firmly urge the passing of this bill.

The 17 Community Children's Councils (CCCs) are community-based bodies comprised of parents, professionals in both public and private agencies and other interested persons who are concerned with specialized services provided to Hawaii's students. Membership is diverse, voluntary and advisory in nature. The CCCs are in rural and urban communities organized around the Complexes in the Department of Education.

Thank you for the opportunity to testimony if there are any questions or you need further information please contact us at 586-5370

Sincerely yours

Tom Smith, Co-Chair Jessica Wong-Sumida, Co-Chair

(Original signatures are on file with the CCCO)

HAWAII DISABILITY RIGHTS CENTER

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THE HOUSE OF REPRESENTATIVES
THE TWENTY-SEVENTH LEGISLATURE
REGULAR SESSION OF 2014

Committee on Health
Testimony in Support of H.B. 2225
Relating to Health

Friday, January 31, 2014, 8:30 A.M.
Conference Room 329

Chair Belatti, and Members of the Committee:

The Hawaii Disability Rights Center testifies in support of this bill.

The purpose of the bill is to require health insurance plans to provide coverage for autism spectrum disorders. This is a very important bill and this coverage is very appropriate for insurance policies. The whole point of insurance is to spread risk and cost among an entire population, so that disproportionate, catastrophic expenses are not heaped upon specific individuals or groups.

With that in mind, we need to realize that autism is occurring among children in epidemic proportions. According to current statistics, **one out of 110 children (1 out of 85 boys) are born with autism**. That is a staggering, alarming figure, as is the cost to those families and to society to care for these individuals over the course of their lives. **It is estimated that the cost of caring for a single individual with autism for a lifetime is $3 million.** Evidence suggests that techniques such as applied behavioral analysis have been effective in mitigating or reducing or eliminating the effects of autism if used at an early age. While the treatments may seem costly in the short run, hundreds of thousands of dollars, if not millions, are saved over the course of a lifetime by the early utilization of treatments.

Further, while some services are supposed to be provided via the DOE under the Individuals With Disabilities Education Act, in reality, the DOE has done a very poor job

of either educating or providing needed services to children with autism. Therefore, other means of providing coverage and services need to be addressed.

Inasmuch as autism is unfortunately becoming common and the costs are so high, insurance coverage is appropriate as a mechanism to spread the risk and cost amongst all of us. We note that **approximately half the states in the country currently mandate some insurance coverage for autism.** Therefore, this would seem to be an approach to addressing this problem which has received broad support.

Thank you for the opportunity to testify in support of this measure.

S E A C
Special Education Advisory Council
919 Ala Moana Blvd., Room 101
Honolulu, HI 96814
Phone: 586-8126 Fax: 586-8129
email: spin@doh.hawaii.gov

January 31, 2014

Representative Della Au Belatti, Chair
Committee on Health
State Capitol
Honolulu, HI 96813

RE: HB 2225 - RELATING TO HEALTH

Dear Chair Au Belatti and Members of the Committee,

The Special Education Advisory Council (SEAC), Hawaii's State Advisory Panel under the Individuals with Disabilities Education Act (IDEA), **strongly supports** HB 2225 that proposes to mandate health insurance coverage for the diagnosis and treatment of autism spectrum disorders (ASD).

SEAC has been active over the last number of years in advising the Department of Education on appropriate educational supports for students who are on the Autism spectrum. We are very aware that the early identification and amelioration of the complex communication, social and behavioral needs of these children has a significantly positive impact on academic and behavioral goals.

SEAC has also been active in the last three years with a variety of key stakeholders who have collectively acknowledged the critical need for mandated insurance coverage in Hawaii to identify children with Autism Spectrum Disorders and provide timely and evidenced-based interventions to improve their health, academic and life outcomes. We therefore urge passage of HB 2225, and offer our availability for further discussion on this legislation.

Thank you for this opportunity to testify. If you have any questions or concerns, please feel free to contact me.

Respectfully,

Ivalee Sinclair, Chair

KAISER PERMANENTE®

Government Relations

Testimony of Phyllis Dendle

Before:
House Committee on Health
The Honorable Della Au Belatti, Chair
The Honorable Dee Morikawa, Vice Chair

LATE

January 31, 2014
8:30 am
Conference Room 329

HB 2174/HB2225 RELATING TO HEALTH

Chair Belatti, and committee members, thank you for this opportunity to provide testimony on HB2174 and HB2225 which would mandate expanded insurance coverage for people with autism spectrum disorders.

Kaiser Permanente Hawaii supports this bill with our amendments.

Attached to this testimony is a detailed revision of the bill that we request you use to replace what is in these bills.

Because these two bills are based on last year's proposal and many of the things in them are already covered under the federal Accountable Care Act it is necessary to streamline the bills to be clear on what is being covered. Also it is important to remember that any and all additional mandates increase the cost of health care so care must be taken to balance wants and needs. This is particularly important this year federal law and regulations requires the state to pay for additional mandates they pass now. Even with that said we urge the legislature to assure that if they are going to provide these benefits for some under commercial insurance that they also assure that it is available to all in and out of the health connector and including Medicaid and EUTF.

While we have many concerns with the bills in the way they are written I will just highlight a few that are corrected in the attached draft:

Screening and diagnosis-Screening and diagnosis are already covered services

711 Kapiolani Blvd
Honolulu, Hawaii 96813
Telephone: 808-432-5210
Facsimile: 808-432-5906
Mobile: 808-754-7007
E-mail: phyllis.dendle@kp.org

under existing law. At Kaiser Permanente we follow the guidelines of the American Academy of Pediatrics on identification and evaluation of children to diagnose those with autism spectrum disorders. When these children are identified they are linked to the State Department of Health early intervention services and as the child grows they are linked to the Department of Education both of whom currently provide services to children with autism as well as children with other developmental issues.

Maximum dollar limits-We appreciate the intention of the drafters of this bill to create some financial certainty to health plans by placing a dollar limit per year and per lifetime. However, we are concerned that this is a violation of federal law. Federal mental health parity laws require that there be no coverage limits on mental health services which are not also on other health services. The federal Patient Protection and Accountable Care Act (ACA) prohibits any lifetime limit. We are concerned that this bill might pass with the limits listed but there could be rulings in the future which would require coverage with no limits.

Also, this dollar limit is only for "behavioral health treatment" and the bill specifically says this must be in addition to any coverage for other care, treatment, intervention, or service. The actual cost of care could easily exceed the proposed dollar figures.

Review of treatment- The bill would permit a health plan to review the treatment of a covered individual not more than once every twelve months. This is not in the best interest of the patient. All other medical treatments are subject to regular review to determine if the treatment is beneficial. It is essential for all medical care, including what is being required in this bill, to be based on what is medically necessary. If the individual is not improving it may be the wrong treatment or it may be the wrong provider. Under the circumstances described in the bill an individual could languish for a year making no improvement before the health plan would be able to evaluate the patient's progress. There is no requirement for the prescribing provider to have oversight to this care once prescribed. There is also no requirement that services provided be in line with evidence-based research and be provided to consistent standards.

Who can provide the service- The bill limits the ability of health plans to contract with providers based on the needs of their patients and the availability of providers by requiring that insurers not contract with more licensed psychologists than board certified behavior analysts.

Appropriate diagnosis- The bill does not permit a health care provider to diagnose a patient using the most current diagnostic information available in the DSM-V but instead requires that any individual diagnosed at any time with autism spectrum disorder not be reevaluated based on updated critieria under any circumstances.

Definitions - Autism Spectrum Disorder-the term "pervasive developmental disorders" is not used in the most current Diagnostic and Statistical Manual of Mental Disorders. Individuals previously so diagnosed now are diagnosed as having autism spectrum disorder.

Autism Service provider-places no professional requirements on who may provide services. There is no certification or licensure requirement.

AS AMENDED this proposal focuses on providing coverage for services that are not otherwise covered or provided. It also focusses on assuring that it provides these services at the best possible time when the highest number of individuals could benefit. It solves the concerns we have about assuring the safety of patients by requiring the providers act and be treated like other medical professionals.

This amended bill specifically seeks to provide coverage for applied behavioral analysis. The research that is available including the March 2, 2012 actuarial cost estimate done by Oliver Wyman at the request of Autisim Speaks shows that the ABA utilization and therefore costs peak at age 5. From there utilization falls off dramatically through age 8 when it drops to almost no usage. This bill proposes to have health insurance pay for coverage up to age 6 when individuals become eligible for services through the Department of Education.

This would mean that there would be assistance for families when they need it most, when it would do the most good but would also limit the expected increase in costs to the state and to businesses which are required to pay for mandated benefits.

We urge the legislature to move forward this version of the mandate for continued discussion.

Thank you for your consideration.

Proposed amendments to HB2174 and HB2225

Red with strike-through to be removed.
Blue to be inserted.
Black to remain from original draft.

RELATING TO HEALTH.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. ~~The purpose of this Act is to ensure the provision of quality health care for all Hawaii residents by requiring coverage of treatment for autism spectrum disorders.~~ The legislature finds that appropriate screening can determine whether an individual as young as one year old is at risk for autism and demonstrates that early treatment improves outcomes. Autism Speaks, an autism science and advocacy organization, estimates that one out of every eighty-eight children is diagnosed with some form of autism. Autism Speaks stresses the importance of recognizing the early signs of autism and seeking early intervention services. The legislature further finds that the federal Affordable Care Act has improved the availability of screening, diagnosis, and treatment of autism. For example, habilitative services would permit individuals with autism to access ongoing services in speech, occupational, and physical therapy when their physician prescribes it.

However, behavioral health treatments such as applied behavior analysis specific to the treatment of autism have not been covered as habilitative services. The purpose of this Act is to require health insurance to provide coverage for behavioral health treatment of autism spectrum disorders when it is prescribed by an individual's physician and provided by trained professionals, at the time it will most benefit the individual. This treatment shall be covered by health insurance up to the age of six when the individual with autism may receive services as required by federal law from the department of education.

SECTION 2. This Act shall be known and may be cited as "Luke's Law".

SECTION 3. Chapter 431, Hawaii Revised Statutes, is amended by adding a new section to article 10A to be appropriately designated and to read as follows:

"**§431:10A- Autism spectrum disorders benefits and coverage; notice; definitions.** (a) Each individual or group accident and health or sickness insurance policy, contract, plan, or agreement issued or renewed in this State on or ~~after July 1, 2014, shall provide to the policyholder and individuals under twenty-one years of age covered under the policy, contract, plan, or agreement coverage for the screening, including well-~~

~~baby and well-child screening, diagnosis, and evidence based treatment of autism spectrum disorders.~~

~~Nothing in this section shall be construed to require such coverage in a medicaid plan.~~

after December 31, 2015, shall provide to individuals under six years of age covered under the policy, contract, plan, or agreement, coverage for behavioral health treatment of autism spectrum disorders.

(b) Every insurer shall provide written notice to its policyholders regarding the coverage required by this section. The notice shall be prominently positioned in any literature or correspondence sent to policyholders and shall be transmitted to policyholders within calendar year ~~2014~~ 2016 when annual information is made available to members or in any other mailing to members, but in no case later than December 31, ~~2014~~ 2016.

~~(c) Individual coverage for behavioral health treatment provided under this section shall be subject to a maximum benefit of $50,000 per year and a maximum lifetime benefit of $300,000, but shall not be subject to any limits on the number of visits to an autism service provider. After December 31, 2015, the insurance commissioner, on an annual basis, shall adjust the maximum benefit for inflation using the medical care component of the United States Department of Labor Consumer Price Index for all urban consumers; provided that the commissioner may post~~

~~notice of and hold a public meeting pursuant to chapter 92 before adjusting the maximum benefit. The commissioner shall publish the adjusted maximum benefit annually no later than April 1 of each calendar year, which shall apply during the following calendar year to health insurance policies subject to this section. Payments made by an insurer on behalf of a covered individual for any care, treatment, intervention, or service other than behavioral health treatment shall not be applied toward any maximum benefit established under this subsection.~~

~~(d)~~ (c) Coverage under this section may be subject to copayment, deductible, and coinsurance provisions of an accident and health or sickness insurance policy, contract, plan, or agreement that are no less favorable than the copayment, deductible, and coinsurance provisions for substantially all other medical services covered by the policy, contract, plan, or agreement.

~~(e) This section shall not be construed as limiting benefits that are otherwise available to an individual under an accident and health or sickness insurance policy, contract, plan, or agreement.~~

~~(f) Coverage for treatment under this section shall not be denied on the basis that the treatment is habilitative or non-restorative in nature.~~

~~(g) Except for inpatient services, if an individual is receiving treatment for autism spectrum disorders, an insurer may request a review of that treatment not more than once every twelve months unless the insurer and the individual's licensed physician, psychiatrist, psychologist, clinical social worker, or nurse practitioner agree that a more frequent review is necessary. Any such agreement regarding the right to review a treatment plan more frequently shall apply only to a particular insured being treated for autism spectrum disorder by a licensed physician, psychiatrist, psychologist, clinical social worker, or nurse practitioner. The cost of obtaining any review shall be borne by the insurer.~~

~~(h)~~ (d) This section shall not be construed as reducing any obligation of the State to provide services to an individual under an individualized family service plan, an individualized education program, or an individualized service plan.

~~(i)~~ (e) Nothing in this section shall apply to accident-only, specified disease, hospital indemnity, qualified health plans as defined in section 1301 of the Patient Protection and Affordable Care Act, Medicare supplement, disability income, long-term care, or other limited benefit hospital insurance policies.

~~(j) Insurers shall include in their network of approved autism service providers only those providers who have cleared criminal background checks as determined by the insurer.~~

~~(k) Insurers shall include at least as many board-certified behavior analysts in their provider network as there are qualified licensed psychologists in their network of approved providers of applied behavior analysis.~~

~~(l) If an individual has been diagnosed as having a pervasive developmental disorder or autism spectrum disorder, then that individual shall not be required to undergo repeat evaluation upon publication of a subsequent edition of the Diagnostic and Statistical Manual of Mental Disorders to remain eligible for coverage under this section.~~

(n) As used in this section~~, unless the context clearly requires otherwise~~:

"Applied behavior analysis" means the evidence-based design, implementation, and evaluation of environmental modifications, using behavioral stimuli and consequences, to produce socially significant improvement in human behavior, including the use of direct observation, measurement, and functional analysis of the relationship between environment and behavior. The practice of applied behavior analysis expressly excludes psychological testing, diagnosis of a mental or physical disorder, neuropsychology, psychotherapy, cognitive therapy, sex therapy,

psychoanalysis, hypnotherapy, and long-term counseling as treatment modalities.

~~"Autism service provider" means any person, entity, or group that provides treatment for autism spectrum disorders.~~

"Autism spectrum disorders" means ~~any of the pervasive developmental disorders or~~ autism spectrum disorders as defined by the most recent edition of the American Psychiatric Association Diagnostic and Statistical Manual of Mental Disorders (DSM).

"Behavioral health treatment" means evidence based counseling and treatment programs, including applied behavior analysis, that are:

(1) Medically necessary ~~Necessary~~ to develop, maintain, or restore, to the maximum extent practicable, the functioning of an individual; and

(2) Provided or supervised by a board-certified behavior analyst or by a licensed psychologist so long as the services performed are commensurate with the psychologist's formal university training and supervised experience~~.~~ ; provided that all providers of services regardless of their licensure or certification shall demonstrate they meet the same criminal history and background check standard as

required by the department of human services Med-QUEST division.

"Diagnosis of autism spectrum disorders" means medically necessary assessments, evaluations, or tests conducted to diagnose whether an individual has an autism spectrum disorder.

~~"Pharmacy care" means medications prescribed by a licensed physician or nurse practitioner and any health-related services that are deemed medically necessary to determine the need for or effectiveness of the medications.~~

~~"Psychiatric care" means direct or consultative services provided by a licensed psychiatrist.~~

~~"Psychological care" means direct or consultative services provided by a licensed psychologist.~~

~~"Therapeutic care" means services provided by licensed speech pathologists, registered occupational therapists, licensed social workers, licensed clinical social workers, or licensed physical therapists.~~

"Treatment for autism spectrum disorders" includes ~~the following care~~ behavioral health treatment; and habilitative services as defined by the state for the benchmark benefit package in the health insurance exchange; that are prescribed or ordered for an individual with an autism spectrum disorder by a licensed physician, psychiatrist, psychologist, licensed clinical

social worker, or nurse practitioner if the care is determined to be medically necessary:

~~(1) Behavioral health treatment;~~

~~(2) Pharmacy care;~~

~~(3) Psychiatric care;~~

~~(4) Psychological care; and~~

~~(5) Therapeutic care."~~

SECTION 4. Chapter 432, Hawaii Revised Statutes, is amended by adding a new section to article 1 to be appropriately designated and to read as follows:

"**§432:1 Autism spectrum disorders benefits and coverage; notice; definitions.** (a) Each individual or group accident and health or sickness insurance policy, contract, plan, or agreement issued or renewed in this State on or ~~after July 1, 2014, shall provide to the policyholder and individuals under twenty-one years of age covered under the policy, contract, plan, or agreement coverage for the screening, including well-baby and well-child screening, diagnosis, and evidence based treatment of autism spectrum disorders.~~

~~Nothing in this section shall be construed to require such coverage in a medicaid plan.~~

after December 31, 2015, shall provide to individuals under six years of age covered under the policy, contract, plan, or

agreement, coverage for behavioral health treatment of autism spectrum disorders.

(b) Every insurer shall provide written notice to its policyholders regarding the coverage required by this section. The notice shall be prominently positioned in any literature or correspondence sent to policyholders and shall be transmitted to policyholders within calendar year ~~2014~~ 2016 when annual information is made available to members or in any other mailing to members, but in no case later than December 31, ~~2014~~ 2016.

~~(c) Individual coverage for behavioral health treatment provided under this section shall be subject to a maximum benefit of $50,000 per year and a maximum lifetime benefit of $300,000, but shall not be subject to any limits on the number of visits to an autism service provider. After December 31, 2015, the insurance commissioner, on an annual basis, shall adjust the maximum benefit for inflation using the medical care component of the United States Department of Labor Consumer Price Index for all urban consumers; provided that the commissioner may post notice of and hold a public meeting pursuant to chapter 92 before adjusting the maximum benefit. The commissioner shall publish the adjusted maximum benefit annually no later than April 1 of each calendar year, which shall apply during the following calendar year to health insurance policies subject to this section. Payments made by an insurer on behalf of a covered~~

~~individual for any care, treatment, intervention, or service other than behavioral health treatment shall not be applied toward any maximum benefit established under this subsection.~~

~~(d)~~ (c) Coverage under this section may be subject to copayment, deductible, and coinsurance provisions of an accident and health or sickness insurance policy, contract, plan, or agreement that are no less favorable than the copayment, deductible, and coinsurance provisions for substantially all other medical services covered by the policy, contract, plan, or agreement.

~~(e) This section shall not be construed as limiting benefits that are otherwise available to an individual under an accident and health or sickness insurance policy, contract, plan, or agreement.~~

~~(f) Coverage for treatment under this section shall not be denied on the basis that the treatment is habilitative or non-restorative in nature.~~

~~(g) Except for inpatient services, if an individual is receiving treatment for autism spectrum disorders, an insurer may request a review of that treatment not more than once every twelve months unless the insurer and the individual's licensed physician, psychiatrist, psychologist, clinical social worker, or nurse practitioner agree that a more frequent review is necessary. Any such agreement regarding the right to review a~~

~~treatment plan more frequently shall apply only to a particular insured being treated for autism spectrum disorder by a licensed physician, psychiatrist, psychologist, clinical social worker, or nurse practitioner. The cost of obtaining any review shall be borne by the insurer.~~

~~(h)~~ (d) This section shall not be construed as reducing any obligation of the State to provide services to an individual under an individualized family service plan, an individualized education program, or an individualized service plan.

~~(i)~~ (e) Nothing in this section shall apply to accident-only, specified disease, hospital indemnity, qualified health plans as defined in section 1301 of the Patient Protection and Affordable Care Act, Medicare supplement, disability income, long-term care, or other limited benefit hospital insurance policies.

~~(j) Insurers shall include in their network of approved autism service providers only those providers who have cleared criminal background checks as determined by the insurer.~~

~~(k) Insurers shall include at least as many board-certified behavior analysts in their provider network as there are qualified licensed psychologists in their network of approved providers of applied behavior analysis.~~

~~(l) If an individual has been diagnosed as having a pervasive developmental disorder or autism spectrum disorder,~~

~~then that individual shall not be required to undergo repeat evaluation upon publication of a subsequent edition of the Diagnostic and Statistical Manual of Mental Disorders to remain eligible for coverage under this section.~~

(n) As used in this section~~, unless the context clearly requires otherwise~~:

"Applied behavior analysis" means the evidence-based design, implementation, and evaluation of environmental modifications, using behavioral stimuli and consequences, to produce socially significant improvement in human behavior, including the use of direct observation, measurement, and functional analysis of the relationship between environment and behavior. The practice of applied behavior analysis expressly excludes psychological testing, diagnosis of a mental or physical disorder, neuropsychology, psychotherapy, cognitive therapy, sex therapy, psychoanalysis, hypnotherapy, and long-term counseling as treatment modalities.

~~"Autism service provider" means any person, entity, or group that provides treatment for autism spectrum disorders.~~

"Autism spectrum disorders" means ~~any of the pervasive developmental disorders or~~ autism spectrum disorders as defined by the most recent edition of the American Psychiatric Association Diagnostic and Statistical Manual of Mental Disorders (DSM).

"Behavioral health treatment" means evidence based counseling and treatment programs, including applied behavior analysis, that are:

(1) Medically necessary ~~Necessary~~ to develop, maintain, or restore, to the maximum extent practicable, the functioning of an individual; and

(2) Provided or supervised by a board-certified behavior analyst or by a licensed psychologist so long as the services performed are commensurate with the psychologist's formal university training and supervised experience~~.~~ ; provided that all providers of services regardless of their licensure or certification shall demonstrate they meet the same criminal history and background check standard as required by the department of human services Med-QUEST division.

"Diagnosis of autism spectrum disorders" means medically necessary assessments, evaluations, or tests conducted to diagnose whether an individual has an autism spectrum disorder.

~~"Pharmacy care" means medications prescribed by a licensed physician or nurse practitioner and any health-related services that are deemed medically necessary to determine the need for or effectiveness of the medications.~~

~~"Psychiatric care" means direct or consultative services provided by a licensed psychiatrist.~~

~~"Psychological care" means direct or consultative services provided by a licensed psychologist.~~

~~"Therapeutic care" means services provided by licensed speech pathologists, registered occupational therapists, licensed social workers, licensed clinical social workers, or licensed physical therapists.~~

"Treatment for autism spectrum disorders" includes ~~the following care~~ behavioral health treatment; and habilitative services as defined by the state for the benchmark benefit package in the health insurance exchange; that are prescribed or ordered for an individual with an autism spectrum disorder by a licensed physician, psychiatrist, psychologist, licensed clinical social worker, or nurse practitioner if the care is determined to be medically necessary:

~~(1) Behavioral health treatment;~~

~~(2) Pharmacy care;~~

~~(3) Psychiatric care;~~

~~(4) Psychological care; and~~

~~(5) Therapeutic care."~~

SECTION 5. Section 432D-23, Hawaii Revised Statutes, is amended to read as follows:

"§432D-23 Required provisions and benefits.

Notwithstanding any provision of law to the contrary, each policy, contract, plan, or agreement issued in the State after January 1, 1995, by health maintenance organizations pursuant to this chapter, shall include benefits provided in sections 431:10-212, 431:10A-115, 431:10A-115.5, 431:10A-116, 431:10A-116.5, 431:10A-116.6, 431:10A-119, 431:10A-120, 431:10A-121, 431:10A-125, 431:10A-126, 431:10A-122, [~~and~~] 431:10A-116.2, and 431:10A- and chapter 431M."

~~SECTION 6. Notwithstanding section 432D-23, Hawaii Revised Statutes, the coverage and benefit for autism spectrum disorders to be provided by a health maintenance organization under section 5 of this Act shall apply to all policies, contracts, plans, or agreements issued or renewed in this State by a health maintenance organization on or after July 1, 2014.~~

~~SECTION 7.~~ Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION ~~8~~ 7. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the invalidity does not affect other provisions or applications of the Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION ~~9~~ 8. This Act shall take effect on July 1, 2014.

TESTIMONY OF THE AMERICAN COUNCIL OF LIFE INSURERS
COMMENTING ON HOUSE BILL 2225, RELATING TO HEALTH

January 31, 2014

LATE

Via e mail: hthtestimony@capitol.hawaii.gov

Honorable Representative Della Au Bellati, Chair
Committee on Health
State House of Representatives
Hawaii State Capitol, Conference Room 329
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Au Bellati and Committee Members:

Thank you for the opportunity to comment on HB 2225, relating to Health.

Our firm represents the American Council of Life Insurers ("ACLI"), a Washington, D.C., based trade association with approximately 300 member companies operating in the United States and abroad. ACLI advocates in federal, state, and international forums for public policy that supports the industry marketplace and the 75 million American families that rely on life insurers' products for financial and retirement security. ACLI members offer life insurance, annuities, retirement plans, long-term care and disability income insurance, and reinsurance, representing more than 90 percent of industry assets and premiums. Two hundred twenty-five (225) ACLI member companies currently do business in the State of Hawaii; and they represent 92% of the life insurance premiums and 90% of the annuity considerations in this State.

As drafted, HB 2225 requires all insurers subject to its provisions to provide coverage for autism spectrum disorders.

Section 3 of the bill would amend Article 10A of Hawaii's Insurance Code (relating to Accident and Health or Sickness Insurance) to include a new section to require that "[e]ach individual or group accident and health or sickness insurance policy, contract, plan or agreement . . . shall provide to the policyholder and individuals under twenty-one years of age covered under the plicy, contract, plan, or agreement, coverage for . . . treatment of autism spectrum disorders." (Page 1, lines 9 – 18).

By its terms, Article 10A of the Code (by reference to HRS §431:1-205) defines "accident and health or sickness insurance" to include disability insurance.

In 2010, Hawaii enacted HRS §431:10A-102.5, relating to Limited benefit health insurance which states in relevant part:

> Except as provided . . . elsewhere in this article, when use in this article, the terms "accident insurance", "health insurance", or sickness insurance" shall not include an accident-only, specified disease, hospital indemnity, long-term care, disability, dental, vision, Medicare supplement, or other limited benefit health insurance

contract that pays benefits directly to the insured or the insured's assigns and in which the amount of the benefit paid is not based upon the actual costs incurred by the insure.

However, HB 2225, as drafted, mandates autism spectrum disorders coverage for "each individual or group accident and health or sickness insurance policy, contract, plan or agreement . . . ." ACLI submits that the intent and purpose of this bill is to require only health insurers to provide coverage for autism spectrum disorders – not insurers issuing limited benefit health insurance contracts.

In order to dispel any confusion as to what this bill is intended to cover, ACLI suggests that the new section proposed to be added to §431: 10A (on page 2 beginning on line 10) be amended as follows:

> §431: 10A- Autisim spectrum disorders; benefits and coverage; notice; definitions. (a) Subject to the provisions of HRS §431:10-A-102.5, ~~E~~[e]ach individual or group accident and health or sickness insurance policy, contract, plan, or agreement, issued or renewed in this State . . . . [etc.].

Again, thank you for the opportunity to comment on HB 2225.

LAW OFFICES OF
OREN T. CHIKAMOTO
A Limited Liability Law Company

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FAMILY VOICES OF HAWAI'I

HILOPA'A

Family to Family Health Information Center

LATE

Date: January 30, 2014

To: COMMITTEE ON HEALTH
Representative Della Au Belatti, Chair
Representative Dee Morikawa, Vice Chair

Re: Support the Intent – HB 2225 – RELATING TO HEALTH

On behalf of Family Voices of Hawai`i, we support the intent of SB 2225. Family Voices of Hawai'i & the Hilopa'a Family to Family Health Information Center continue to support mandated coverage for services to individuals within the Autism Spectrum. There are 3 Autism related measures between the House and the Senate, in addition to the drafts in Conference Committee.

As the legislation moves through the session, we would like to highlight the following:

1) An insurance mandate should apply for all children and youth in the Spectrum who are covered by public, private insurance as well as those provided through the Exchange;
2) Any Medicaid dollars that are brought into the state equate to double the amount in economic stimulus and new jobs;
3) Medicaid coverage allows the Departments of Health and Education the opportunity to draw down federal dollars to offset the expenses of medically necessary services provided to children with Autism which are currently 100% state funded; and
4) The savings in state dollars for DOH and DOE Autism services could offset the premium differential for plans sold off of the Exchange.

Thank you for your time and consideration. We look forward to working together on developing a final measure across all of the chambers and stake holder groups.

LATE

Dear Legislators,

The Hawaii Association of School Psychologists (HASP) strongly supports HB2225, which requires insurance companies to provide coverage for autism spectrum disorder treatments. "School psychologists help children and youth succeed academically, socially, behaviorally, and emotionally. They collaborate with educators, parents, and other professionals to create safe, healthy, and supportive learning environments that strengthen connections between home, school, and the community for all students." –nasponline.org

Currently, this collaboration and continuum of services would only be possible in the state Hawaii for students with autism spectrum disorders that have access to federal insurance or private pay. As such, HASP encourages Hawaii's legislators to pass HB2225.

Respectfully,

Leslie Baunach, MA/CAS
Hawaii Association of School Psychologists

LATE

HB2225
Submitted on: 1/31/2014
Testimony for HLT on Jan 31, 2014 08:30AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Scott Wall	Community Alliance for Mental Health	Support	No

Comments: to: House Health re: HB2225 Aloha Rep. Belatti and members of the committee, On behalf of the Community Alliance for Mental Health along with United Self Help we strongly support the passage of HB2225. The inclusion of the Autism spectrum of disorders in the treatment package is only right. Scott Wall VP/Legislative Advocate Community Alliance for Mental Health

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

The Chamber of Commerce of Hawaii
The Voice of Business in Hawaii

Testimony to the House Committee on Health
Friday, January 31, 2014 at 8:30 A.M.
Conference Room 329, State Capitol

LATE

RE: HOUSE BILL 2225 RELATING TO HEALTH

Chair Belatti, Vice Chair Morikawa, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") **cannot support** HB 2225 Relating to Health.

The Chamber is the largest business organization in Hawaii, representing over 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

We appreciate the intent of the bill to help those with autism spectrum disorders. However, the Chamber has several concerns with the bill.

- The findings of the 2009 Auditor's report on similar legislation that has concerns on the enactment of a mandated benefit.
- Presently these services are already being offered by the Departments of Education and Health.
- The projected cost could be at least $70 million per year if not more for private sector companies.

We strongly urge this committee to implement the recommendations of the Legislative Reference Bureau study requested by HCR 177, HD2, SD1 in 2012. Specifically the recommendation to commission an independent actuarial analysis which will help project the cost of this mandated benefit. Also, we highly suggest that the Legislature ask the affected agencies to conduct an analysis what would be the additional cost per this mandate. Based on testimony from some government agencies it could cost the state and county governments at least an additional $80 million per year. Also the benefit caps in this bill may be impacted by ACA.

While we understand problems facing our community, we do not believe that business should be the group responsible for paying for this mandated benefit. Ninety percent of the cost of an employee's health care premium is paid for by the employer. Most employers would be unable to pass this new cost onto the consumer. Please keep in mind that this would be in addition to new ACA fees and taxes (4-5%) and the annual inflation based increase in health care premiums of 7-10% each year.

Thank you for the opportunity to testify.

HMSA Blue Cross Blue Shield of Hawaii

An Independent Licensee of the Blue Cross and Blue Shield Association

LATE

January 31, 2014

The Honorable Della Au Belatti, Chair
The Honorable Dee Morikawa, Vice Chair
House Committee on Health

Re: HB 2225 – Relating to Health

Dear Chair Bellatti, Vice Chair Morikawa and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 2225, which, would require health plans to provide coverage for services for autism spectrum disorders (ASD). HMSA certainly is empathetic to the intent of this Bill. However, as we noted during the last legislative session, we continue to be concerned that the Legislature and the community need more and clearer information about the consequences of such a mandate.

The 2012 Legislature, in fact, did attempt to gain that knowledge by adopting HCR 177, HD2, SD1, directing the Legislative Reference Bureau (LRB)study of the impacts of mandating insurance coverage for the diagnosis and treatment of ASD. The LRB submitted that report, "Autism Spectrum Disorders and Mandated Benefits Coverage in Hawaii" to the 2013 Legislature

Unfortunately, the LRB report is inconclusive with regard to many of its findings, including the financial impact and the impact of the Affordable Care Act (ACA) on such a mandate. The LRB instead offers recommendations including:

- Should the Legislature want more certainty with respect to the cost of a mandate, it may consider commissioning an independent actuarial analysis.
- Should the Legislature want more accurate information concerning the costs of the mandate to the Med-QUEST and EUTF systems, it may require the agencies to commission studies of their own.
- The Legislature needs to ensure Applied Behavioral Analysis network adequacy, especially for ASD patients on the Neighbor Islands.

While providing services for persons with ASD is important, we need to emphasize that, pursuant to the ACA, the cost of providing these services under a new mandate will not be a charge to the issuers, but must be borne by the State. And, that applies to plans sold both through and outside of the health insurance exchange. It is important that the Legislature clarifies the financial impact of a coverage mandate for those services on the community and the health care system. Consequently, the Legislature may wish to consider pursuing some or all of the additional studies recommended by the LRB.

Thank you for the opportunity to offer our comments on HB 2225.

Sincerely,

Jennifer Diesman
Vice President
Government Relations

COMMITTEE ON HEALTH
Rep. Della Au Belatti, Chair
Rep. Dee Morikawa, Vice Chair

AMENDED NOTICE OF HEARING

DATE: Friday, January 31, 2014
TIME: 8:30 AM
PLACE: Conference Room 329
State Capitol
415 South Beretania Street

Dear Representatives Belatti & Morikawa,

My name is Brandi M. Picardal. I am the mother of a 4 year old Autistic child named Ethan. I am writing to you because I want to talk about H.B. 2174 / Luke's Law and H.B. 2225 and how these bills will affect our family and many other families in Hawaii.

Having a child with Autism is something I would not wish on anyone. As parents we try to find the silver lining in having a child with Autism, but the truth is not one parent who has a disabled child would ever chose to have a child with Autism.

Having a child with Autism is overwhelming and devastating to our families. Most children with Autism, like Ethan, have Co-Morbid medical conditions with their Autism. People do not understand that children with Autism do not only suffer from Social and Communication delays, but often suffer from Mitochondrial Dysfunction, Sensory Processing Disorder, Anxiety disorders, Immune disorders, Gastrointestinal dysfunction, Food Allergies and Seizures. I know this because my son, Ethan, has been diagnosed with almost all of these, as well as Maldigestion and Malabsorption.

Parents of children with Autism depend on insurance to help pay the overwhelming amount of therapies and medical treatments that our children need. As with most children with Autism, there are visits to the Neurologist, Psychologist, Gastroenterologist, Allergist, Developmental Pediatrician, Opthamologist, Audiologist, Speech Therapist, Occupational Therapist, MAPS trained physicians and the list goes on. Our kids need to have Evaluations done to see what their needs are and these evaluations are very costly. Even with insurance, we still are overwhelmed by copays. Families are forced to prioritize their child's needs because we are unable to pay for all the help our children need.

Ethan has so many therapy and medical bills that ABA therapy has never been an option. If H.B. 2174 / Luke's Law and H.B. 2225 are passed, Ethan will be able to start ABA therapy. Why is this so important? **ABA therapy is the single most proven therapy to help children with Autism. ABA therapy is the gold standard for Autism treatment.**

Thank you for your time and for hearing why our family and so many families in Hawaii are counting on you to vote to pass H.B. 2174 / Luke's Law and H.B. 2225 .

Respectfully,

Brandi M. Picardal
94-1415 Welina Lp. Apt. 8B, Waipahu, HI 96797
808-741-2283

Sonya Toma & Derrick Lahrman
24 N. Church Street, Suite 312
Wailuku, Maui, Hawaii 96793
(808) 281-8068

Testimony of Sonya Toma & Derrick Lahrman
IN SUPPORT OF H.B. No. 2225
Mandatory Health Coverage; Autism Spectrum Disorders
Before the House Committee on Health
January 31, 2014 at 8:30 a.m.
State Capitol, Conference Room 329

Our son, Joey, now almost five, was diagnosed with an Autism Spectrum Disorder when he was three years old and it has changed our lives immensely. We are constantly seeking information about treatments and therapies that will help Joey to be the best he can be. We have learned that early intervention is extremely important and have sought out all the services and therapy that is available to us. Furthermore, living on Maui presents unique challenges with a limited availability of services. It is also difficult financially and a strain on both our jobs. We are constantly taking off from work for appointments, school meetings and therapy.

Joey participates in occupational therapy every two weeks at the Maui Center for Child Development, which specializes in treatment for Autism Spectrum Disorder. Joey sees an excellent licensed occupational therapist who has helped him learn to self-regulate and manage some of his issues, including improving his sensory, gross motor and fine motor skills. She is also a great teacher and resource for us, and helps us to understand Joey's unique challenges and gives us insight into how to make his life better and more enjoyable.

Our current heath insurer is HMSA and coverage for Joey's therapy is limited to only 8 sessions per year, or roughly four months of therapy. Last year we briefly received medical insurance coverage from a Maryland medical insurer through Derrick's employer (who has a Maui office but is based in Maryland). In Maryland, Autism coverage is mandated by law. Under this Maryland carrier, the same appointments were covered without limitation. Once his coverage for this year runs out, we will have to pay the full price for the therapy to continue. Since it is very important to us, we will continue but it will be financially difficult.

We strongly believe that coverage for Autism services should be mandated by law and offer our full support of this bill.

Thank you for the opportunity to comment on this bill.

Sincerely,
Sonya Toma & Derrick Lahrman

morikawa2-Joanna

From: Amy Wiech <amy@autismbehaviorconsulting.com>
Sent: Wednesday, January 29, 2014 11:09 PM
To: HLTtestimony
Cc: Amy
Subject: Testimony In support of HB 2225-Autism Insurance Mandate

Dear Representatives Morikawa and Au Belatti,

I am writing this testimony in support of HB 2225 with amendments, on Jan 31, 2014. I will be present for testimony in person.

Ladies and Gentlemen of the House Committee on Health,

RE Bill - HB 2225

I am a Board Certified Behavior Analyst (BCBA) since 2004 and possess Master's and Bachelor's Degrees in Special Education, and am a PhD candidate at UH in Exceptionalities/Special Education with an emphasis in Applied Behavior Analysis (ABA), expected to defend March 7, and graduate in May 2014.

ABA is defined as the process of systematically applying interventions based upon the principles of learning theory to improve socially significant behaviors to a meaningful degree, and todemonstrate that the interventions employed are responsible for the improvements in behavior (Baer, Wolf & Risley, 1968).

There is an effective and medically necessary treatment for Autism and it is ABA, which is the only intervention for ASD recommended by the Surgeon General. When Autism is identified early and with early ABA treatment the symptoms and deficits of autism can be ameliorated and in many cases reversed. The research states that behavioral programs specifically for children with Autism should be comprised of 25-40 hours per week of individualized instruction using ONLY evidence-based teaching procedures and behavior reduction procedures. **The only available evidence-based teaching procedures are derived from the ABA literature (National Standards Report, 2009).**

In 2009, the National Autism Center (NAC) recommended that behavioral treatment services begin as soon as a child is suspected of having an autistic spectrum disorder. Such services should include a minimum of 25 hours a week, 12 months a year, in which the child is engaged in systematically planned, and developmentally appropriate activity toward identified objectives. What specifically constitutes these hours, however, will vary according to a child's chronological age, developmental level, specific strengths and weaknesses, and family needs. The priorities of focus should include increasing functional spontaneous communication, social instruction delivered throughout the day in various settings, cognitive development and play skills, and proactive approaches to reducing behavior problems.

ABA can be used to target teaching a variety of skills or reduction of socially significant problem behaviors:

- **to increase behaviors (eg reinforcement procedures increase on-task behavior, or socialinteractions);**
- **to teach new skills (eg, systematic instruction and reinforcement procedures teachfunctional life skills, communication skills, or social skills);**

- **to maintain behaviors (eg, teaching self control and self-monitoring procedures tomaintain and generalize job-related social skills);**
- **to generalize or to transfer well in the mainstream classroom);**
- **to restrict or narrow conditions under which interfering behaviors occur (eg, modifying the learning environment); and**
- **to reduce interfering behaviors and barriers to learning (eg, self injury or stereotypy).**
- **Can be used with young children as well as adolescents, and young adults, as well as adult populations.**

If Hawaii were to have an insurance mandate pass, this would give families the option to obtain ABA treatment for their child via their health insurer. These families would have the ability to access scientifically supported ABA services in order to make socially significant changes in their child'sbehavior, communication and functional skills. The progress given an intensive and well designed ABA program are astounding and life changing! And surprisingly, many children here in Hawaii have never received ABA treatment before. Especially our keiki of Hawaiian ancestry!

The cost of ABA is minimal compared to the estimated $3.2 million over the cost of a lifetime, which is ultimately passed on to society and the tax payers who flip the bill to place these adults in residential settings that cost a fortune. That puts a dollar figure on it, but there is no way to measure the lost contributions to society of afflicted individuals if untreated.

Many families who have children with autism are not able to live a "normal" life, because of their child's significant behavior problems. The activities they can participate in as a family are limited, which is so unfortunate to hear when families tell us they can't go to church, or to the beach, or the movies as a family, for fear that their child will have a huge tantrum or engage in life threatening self injurious behaviors in public.

There is currently no cure for autism, however disruptive behaviors and symptoms, aretreatable, much like any chronic disease or disorder are treatable. Without treatment, there is little chance for leading a "normal" life. With intensive ABA treatment, some individuals with ASD actually are able to lose their diagnosis, as they may learn skills, and reduce behaviors to the extent of not meeting the criteria for ASD any longer.

Numerous scientists have reviewed the complete corpus of scientific research and have concluded that competently delivered ABA interventions are evidence-based, effective, and safe for improving functioning, preventing deterioration, and ameliorating symptoms in people with ASD. **Therefore, ABA is a medically necessary behavioral health treatment for those spectrum of disorders.**

Although I am recommending that a bill be passed, I believe it needs to be amended. Behavior analysis is a distinct discipline.**The practice of ABA is a distinct profession** . It is not the same as psychiatry, clinical psychology, psychiatric nursing, or social work. The competencies and training required to practice ABA have been identified by the profession of behavior analysis through extensive job analyses spanning more than a decade. Those requirements are contained in the standards for obtaining the professional credentials in ABA that are issued by the Behavior Analyst Certification Board (BACB), a nonprofit organization that is accredited by the National Commission on Certifying Agencies of the Institute for Credentialing Excellence. Part of the rationale for establishing the BACB credentialing programs in 1999 was to provide consumers, funding agencies (such as insurers), and governments a means to identify practitioners who have demonstrated that they meet the standards which were established by the profession for practicing ABA. To illustrate the value of this credential, the Department of Defense and Tricare recognized the value of the BACB credentials in its 2007 report on ASD, and adopted them as the principal requirements for ABA supervisors in the provider standards ABA services. Many other health insurers recognize the value of the BACB credentialing for the provision of ABA for their members, such as Cigna, Aetna, and United Behavioral Health.

Please **strongly consider** passing this bill for the sake of our keiki in Hawaii.

Respectfully submitted,

Mahalo palena 'ole (for life's blessings),

Amy Smith Wiech, M.Ed., BCBA

Autism Behavior Consulting Group

808-637-7736 (cell)

ABC Group

Sent from Amy's iPad

morikawa2-Joanna

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, January 30, 2014 10:10 PM
To: HLTtestimony
Cc: green_family@mac.com
Subject: Submitted testimony for HB2061 on Jan 31, 2014 08:30AM

LATE

HB2061
Submitted on: 1/30/2014
Testimony for HLT on Jan 31, 2014 08:30AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Shannon Green	Individual	Support	No

Comments: I support this bill giving Cancer patients insurance coverage to have the opportunity to pursue fertility options. Everyone deserves the chance to give life.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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morikawa2-Joanna

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, January 30, 2014 9:05 PM
To: HLTtestimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for HB2225 on Jan 31, 2014 08:30AM*

LATE

HB2225
Submitted on: 1/30/2014
Testimony for HLT on Jan 31, 2014 08:30AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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