

California Health Benefits Review Program

Analysis of California Assembly Bill 1074 Pervasive Developmental Disorder or Autism

A Report to the 2017–2018 California State Legislature

April 14, 2017



Key Findings:

Analysis of California Assembly Bill 1074 Autism

Summary to the 2017–2018 California State Legislature, April 14, 2017



AT A GLANCE

Assembly Bill (AB) 1074 would alter the current law that requires coverage of behavioral health treatment (BHT) for autistic spectrum disorder (ASD). AB 1074 would alter definitions that relate to adequate provider networks, define BHT as inclusive of case supervision/clinical case management as, and end the CalPERS health insurance exemption. In 2018, about 24 million enrollees in plans or policies regulated by DMHC or CDI will have health insurance that would be subject to AB 1074.

1. **Benefit coverage.** CHBRP anticipates no change, because all enrollees with health insurance that would be subject to AB 1074 have compliant benefit coverage.
2. **Utilization, expenditures, and public health.** Because no change in benefit coverage is expected, no change in utilization, expenditures, or public health outcomes is projected.
3. **Medical effectiveness.** There is a *preponderance* of evidence that intensive behavioral health therapies are effective in improving outcomes including cognitive functioning, language, social functioning, and adaptive behaviors. There is *limited* evidence that low-intensity behavioral health therapies are more effective in improving outcomes than usual care.
4. **Medi-Cal.** It is unclear how the bill would interact with the Welfare and Institutions Code through the proposed amendments to the Health and Safety Code. Therefore, it is possible that AB 1074 could affect 7.8 million Medi-Cal beneficiaries enrolled in DMHC-regulated plans and an additional 1.5 million Medi-Cal beneficiaries enrolled in COHS managed care and an additional 1.5 million Medi-Cal beneficiaries associated with the FFS program.

CONTEXT

A current benefit mandate in California law,¹ one that AB 1074 would alter, requires coverage of behavioral health treatment (BHT) for autistic spectrum disorder (ASD). The law:

- Requires coverage for BHT for ASD and specifies that BHT is inclusive of evidence-based, intensive behavioral intervention treatments such as applied behavioral analysis (ABA);
- Requires plan/policy networks to include qualified autism service (QAS) providers, supervising/employing QAS professionals, or QAS paraprofessionals, and provides definitions for all three; and
- Exempts from compliance the health insurance of enrollees associated with Medi-Cal or the California Public Employees' Retirement System (CalPERS).

Although AB 1074 would end the current mandate's explicit exemption from compliance for DMHC-regulated plans enrolling persons associated with CalPERS, the impact of changes to the current mandates and CalPERS' enrollees benefit coverage is complex. See further discussion regarding CalPERS on the next page.

Although AB 1074 would not alter the current mandate's explicit exemption from compliance for DMHC-regulated plans enrollin Medi-Cal beneficiaries, the impact of changes to the current mandate and Medi-Cal beneficiaries' benefit coverage is unclear. See further discussion regarding Medi-Cal on the next page.

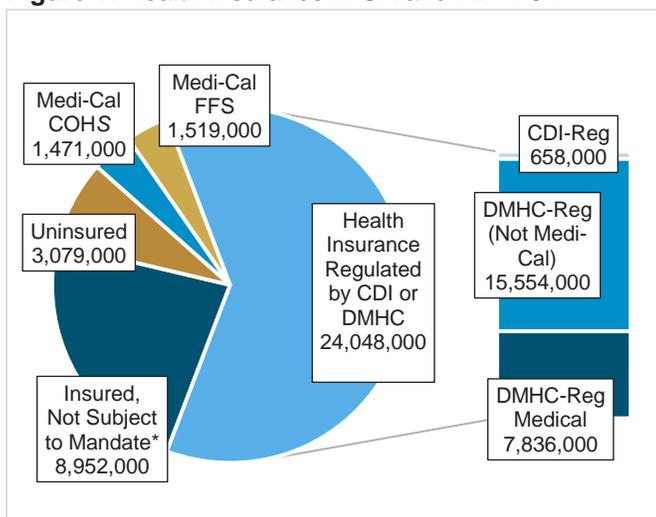
¹ Health and Safety Code 1374.73 and Insurance Code 10144.51.

Bill Summary

AB 1074 would alter the current benefit mandate law (BHT for ASD) in a number of ways. AB 1074 would:

- Make a number of technical alterations to the definitions of QAS providers, QAS professionals, and QAS paraprofessionals;
- Include as aspects of BHT, clinical case management and case supervision; and
- Eliminate the current mandate's exemption for enrollees associated with CalPERS.

Figure 1. Health Insurance in CA and AB 1704



Source: CHBRP, 2017.

Notes: *Includes Medicare beneficiaries and enrollees in self-funded products.

Benefit Coverage, Utilization, Cost, and Public Health Impacts

Currently, 100% of enrollees with health insurance that would be subject to AB 1074 have benefit coverage that complies with the benefit mandate. CHBRP estimates no measurable impact because:

- Case management and care supervision are both reported as currently covered aspects of BHT for ASD.
- Provider networks are reported as compliant with the current mandate and, although AB 1074 would make alterations to QAS provider definitions,

CHBRP does not anticipate measurable change within the first year of implementation.

- The health insurance of enrollees who receive coverage through CalPERS is subject to California's Mental Health Parity law, which also requires coverage for BHT for ASD.

Therefore, CHBRP estimates that AB 1074 will have no measurable impact on benefit coverage.

Medi-Cal

Although AB 1074 would not alter the current benefit mandate's explicit exemption from compliance for DMHC-regulated plans enrolling Medi-Cal beneficiaries, the interaction of the current mandate with the Welfare and Institutions Code is unclear.

The Welfare and Institutions Code references the current mandate as the source of the definition of BHT for ASD. Therefore, changes to the current mandate could impact the benefit coverage of the 7.9 million Medi-Cal beneficiaries enrolled in DMHC-regulated plans as well as the additional 3.0 million Medi-Cal beneficiaries enrolled in either County Organized Health System (COHS) managed care or attached to the fee-for-service (FFS) Program. However, because CHBRP expects no measurable impact from AB 1074 to the benefit coverage of enrollees in privately funded DMHC-regulated plans or CDI-regulated policies, CHBRP would similarly expect no impact related to Medi-Cal beneficiaries.

CalPERS

Although AB 1074 would end the current benefit mandate's explicit exemption for DMHC-regulated plans regarding the benefit coverage of enrollees associated with CalPERS, the interaction of the current benefit mandate, California's separate Mental Health Parity benefit mandate,² and case law³ are complex. For this analysis CHBRP has assumed that removal of CalPERS-related exemption would have no measurable impact. It is possible that the other changes AB 1074 would make could be relevant to the health insurance of the 884,000 CalPERS associated enrollees in DMHC-regulated plans. However, because CHBRP is projecting no impact for those changes in regard to the health insurance of other enrollees in DMHC-regulated

² Health and Safety Code 1374.72 and Insurance Code 10144.5.

³ Consumer Watchdog v. DMHC (2014)

plans, CHBRP has not projected an impact related to CalPERS' enrollees.

Number of Uninsured in California

Because no measurable impacts are anticipated, no change in the number of uninsured Californians is expected.

Medical Effectiveness

There is a *preponderance* of evidence that intensive behavioral health therapies are effective in improving outcomes including cognitive functioning, language, social functioning, and adaptive behaviors.

There is *limited* evidence that low-intensity behavioral health therapies are more effective in improving outcomes than usual care.

There is a *preponderance* of evidence that behavioral health therapies delivered by persons with training similar to QAS professionals and paraprofessionals, as well as a variety of other specialized and nonspecialist types of personnel, are effective when carried out under the training and supervision of a QAS provider.

There is *limited* evidence that the inclusion of clinical management and case supervision in BHT can improve outcomes such as intellectual ability, learning objectives, and overall treatment fidelity.

Essential Health Benefits and the Affordable Care Act

For two reasons, AB 1074 would not trigger financial costs to the state for exceeding essential health benefits (EHBs). First, AB 1074 alters the terms and conditions of an existing benefit mandate, but does not require an additional benefit to be covered. Second, the current law that AB 1074 would alter expressly indicates that it ceases to function if it exceeds EHBs, and AB 1074 does not eliminate this clause of the current law. Thus, neither the current law nor the version AB 1074 would create would function if deemed to exceed EHBs.