CHRT

ISSUE BRIEF

Issue Brief October 2014

Autism Spectrum Disorder in Michigan

Autism spectrum disorder (ASD) comprises a group of developmental disabilities that cause impairment in social interactions, communication skills, and behaviors that can have long-term health and social functioning costs for individuals with ASD and their families. In 2014, the Centers for Disease Control and Prevention (CDC) reported that approximately one in 68 children in the United States were diagnosed with autism spectrum disorder.[1] Researchers estimate that it costs between $1.4 and $2.4 million to support an individual with ASD over a lifetime for direct costs such as medical care or special education, and indirect costs such as lost employment.[2] Federal agencies, advocacy groups, and states are paying more attention to the prevalence, diagnosis, and treatment costs for ASD, demonstrated by an influx in research and an increasing number of states that have mandated certain insurers to provide coverage for ASD diagnosis and treatment.

[1] J.S. Moran, C.G. Casey, T.F. Rutledge, et al. March 28, 2014. Prevalence of Autism Spectrum Disorder among Children Aged 8 Years – Autism and Developmental Disabilities Monitoring Network, 11 Sites, United States, 2010. MMWR Surveillance Summaries 63(2): 1–21. http://www.cdc.gov/mmwr/pdf/ss/ss6302.pdf (accessed 5/9/2014).

[2] A.V.S. Buescher, Z. Cidav, M. Knap, and D.S. Mandell 2014. Costs of Autism Spectrum Disorders in the United Kingdom and the United States. JAMA Pediatrics 168(8): 721–28.

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Suggested citation: Peters, Claire; Lausch, Kersten; and Udow-Phillips, Marianne. *Autism Spectrum Disorder in Michigan.* October 2014. Center for Healthcare Research & Transformation, Ann Arbor, MI.

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Introduction *(continued)*

In 2012 and 2013, Michigan passed legislation that:

- Required state-regulated private health plans to provide coverage for the diagnosis and treatment of ASD;
- Established a reimbursement fund for private health insurance carriers to help offset the autism benefit costs and encourage self-funded plans not regulated by the state[3] to offer ASD coverage; and
- Created a benefit program to offer applied behavior analysis (ABA) services to children enrolled in Medicaid or in the Children's Health Insurance Program (CHIP), known as MIChild in Michigan.

This issue brief provides an overview of ASD, various treatment approaches, federal and state coverage requirements, and the opportunities and challenges created by Michigan's legislation.

[3] State mandates do not apply to self-funded health plans because they are regulated by the federal government via the Employment Retirement Income Security Act of 1974 and not the state.

What is Autism Spectrum Disorder?

Autism spectrum disorder refers to a group of developmental disabilities that can cause substantial impairments in a person's behaviors and social and communication skills. Signs of these impairments usually occur before a child turns three years old, although children are often diagnosed between ages three and five.[4] While the severity of symptoms may lessen by adulthood, core symptoms often last to some degree throughout the individual's life.[5] In recent years, researchers have found evidence that a small percentage of children with ASD, particularly those with milder symptoms, can overcome the diagnosis and reach social and cognitive functioning similar to that of their peers, though it is uncertain why some do and others do not.[6,7] In 2013, the medical diagnosis for autism was redefined to include four autism-related disorders to better reflect the full "spectrum" of severity and complications associated with autism.[8] Individuals with ASD will often have other medical conditions, including epilepsy, learning disabilities, anxiety, depression, sleep disorders, and gastrointestinal distress.[9,10] As with other developmental disabilities, early diagnosis and intensive intervention can have a significant impact on the functional skills and quality of life for children with ASD.[11] The American Academy of Pediatrics (AAP) recommends that all children be screened for developmental delays or disabilities during well-child visits at the age of 9 months, 18 months, and 24 or 30 months.[12]

[4] J.S. Moran, C.G. Casey, T.F. Rutledge, et al. March 28, 2014. Prevalence of Autism Spectrum Disorder among Children Aged 8 Years.

[5] M. M. Seltzer, P. Shattuck, L. Abbeduto, and J.S. Greenberg. 2004. Trajectory of development in adolescents and adults with autism. Mental Retardation and Developmental Disabilities Research Reviews 10(4), 234–47.

[6] D. Fein, M. Barton, I.M. Eigsti, E. Kelley, L. Naigles, R.T. Schultz, A. Orinstein, M. Rosenthal, and K. Tyson. 2013. Optimal outcome in individuals with a history of autism. Journal of Child Psychology and Psychiatry 54(2): 195–205.

[7] D.K. Anderson, J.W. Liang, and C. Lord. 2014. Predicting young adult outcome among more and less cognitively able individuals with autism spectrum disorders. Journal of Child Psychology and Psychiatry 55(5), 485–94.

[8] In the 5th edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM-5) autism spectrum disorder includes autistic disorder, pervasive developmental disorder, Asperger's disorder, and childhood disintegrative disorder. The disorders on the "spectrum" vary in severity and presentation but have certain common symptoms.

[9] M. L. Bauman. 2010. Medical comorbidities in autism: challenges to diagnosis and treatment. Neurotherapeutics 7(3): 320–27.

[10] Treating Autism and Autism Treatment Trust. March 2013. Medical Comorbidities in Autism Spectrum Disorders: A Primer for Health Care Professionals and Policy Makers. http://nationalautismassociation.org/pdf/MedicalComorbiditiesinASD2013.pdf (accessed 6/12/14).

[11] S.J. Rogers. 1996. Brief report: Early intervention in autism. Journal of autism and developmental disorders 26(2): 243–246. http://link.springer.com/article/10.1007%2FBF02172020 (accessed 9/19/14).

[12] Bright Futures Steering Committee and Medical Home Initiatives for Children with Special Needs Project Advisory Committee. 2006. Identifying infants and young children with developmental disorders in the medical home: An algorithm for developmental surveillance and screening. Pediatrics 118(1): 405. http://pediatrics.aappublications.org/content/118/1/405.full.pdf (accessed 9/12/14).

Treatment Strategies

Symptoms of autism can be managed or relieved through various treatment options. Providers who commonly serve children with ASD include pediatricians, psychiatrists, psychologists, therapists, and behavior analysts. Following a diagnosis of ASD, providers generally develop comprehensive treatment plans to address a child's specific needs. The treatment plan may include one or a combination of the following treatments:

- Speech and language therapy: Speech and language therapy may be used help children with ASD gain the ability to speak or to initiate language development. It is usually provided by a speech and language pathologist, but may also be provided by a behavior analyst.
- Occupational therapy: Occupational therapy may be used to improve independent functioning and to teach basic skills such as bathing. This therapy is usually provided by an occupational therapist.
- Physical therapy: Physical therapy involves using exercise and other measures (such as heat) to help children with ASD control body movements and is provided by a physical therapist.
- Mental health services, including prescription drug therapy: Psychiatrists, psychologists, and social workers also provide individual psychotherapy to address several issues including anxiety, disruptive behavior, coping with stress and bullying, social skills, feeding, and toileting. Physicians, particularly psychiatrists, may also prescribe a variety of prescription drugs to children with ASD to treat associated behaviors and mental health disorders such as anxiety, attention deficit hyperactivity disorder (ADHD), and depression. Between 50 and 80 percent of children with ASD have at least one psychiatric co-morbidity.[13]
- Intensive behavioral intervention (IBI): Intensive behavioral therapies include highly structured, skill-oriented activities administered on a one-to-one basis to treat inappropriate, repetitive, and aggressive behaviors. For example, applied behavior analysis (ABA) is a behavioral therapy for ASD that focuses on learning and motivation through several methods, such as positive reinforcement, to improve communication and social interactions and reduce repetitive behaviors.[14] ABA, which has been recognized for its incorporation of multiple evidence-based treatment strategies by the National Standards Project,[15,16] may be provided by or supervised by a certified behavior analyst.

Other treatment strategies include training, education, and support for family members of children with ASD, treatment through the education system, and other medical interventions (such as treatment for epilepsy).[17] Parent education and training programs play an important role in teaching parenting skills to better manage challenging behaviors, supplementing the child's treatment intervention, and bolstering confidence and reducing stress for parents and their children.[18]

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[13] S. Mohiuddin. May 28, 2014. Presentation on the Use of Psychiatric medications in Children with ASD. Personal Collection of S. Mohiuddin. (Ann Arbor, MI: University of Michigan Health System).

[14] R.M. Foxx. 2008. Applied behavior analysis treatment of autism: The state of the art. Child and adolescent psychiatric clinics of North America 17(4): 821–34.

[15] The National Standards Project (NSP) is a program that compiles and reviews the research on evidence-based behavioral and educational treatments for individuals (below 22 years of age) with ASD. The NSP was developed by the National Autism Center in conjunction with national experts, and is used by some insurers to guide coverage policies. NSP is also used by some parents, educators, and providers to develop informed treatment decisions.

[16] National Autism Center. 2009. National Standards Report. (Randolph, Massachusetts).

[17] National Institute of Mental Health. 2011. A Parent's Guide to Autism Spectrum Disorder.. U.S. Department of Health and Human Services. NIH Publication No. 11-5511. **http://www.nimh.nih.gov/health/publications/a-parents-guide-to-autism-spectrum-disorder/parent-guide-to-autism.pdf** (accessed 8/11/14).

[18] T.R. Schultz, C.T. Schmidt, and J.P. Stichter. 2011. A review of parent education programs for parents of children with autism spectrum disorders. Focus on Autism and Other Developmental Disabilities 26(2): 96–104.

Applied Behavior Analysis for Treating Symptoms of ASD

ABA, which has been studied for decades and has become a prominent behavioral treatment strategy for many children with ASD, encompasses a variety of behavior modification approaches that are tailored to the needs of individuals with ASD. In 2012, the AAP recommended guidelines for treatment and priorities for future research needs for children with ASD. Guidelines were developed by a technical expert panel that determined that more intense treatment and a longer treatment period resulted in better outcomes in communication, language, play and challenging behaviors.[19] The panel also determined that in a meta-analysis of ABA programs, researchers found promising results in language, adaptive skills, and intelligence quotient (IQ) scores. In addition to intensity and duration of the ABA treatment, researchers have found that other factors that contribute to the effectiveness of treatment include the active engagement of parents in carrying out the treatment plans and providing treatment in the child's usual environment (for example, the child's home or school).[20,21] However, the time commitment and costs associated with ABA treatment can be challenging and expensive for families to sustain.

Researchers have examined the effectiveness of ABA on improving developmental progress and intellectual performance in young children with ASD.[22,23] Studies over the past 50 years have examined the effect of various behavior treatment approaches on IQ scores, educational placement, language skills, or a reduction in stereotypies (repetitive movement) or challenging behaviors such as aggression or self-injury.[24,25] Due to the varying levels of severity in children with ASD and challenges in assessing outcomes as a result of behavioral therapy, it is difficult to conduct large, randomized trials to measure the effectiveness of specific or a group of ABA therapies for children with ASD. Additionally, not all children with ASD benefit from ABA therapy in the same way, to the same extent, or even at all—which has resulted in mixed outcomes in some studies. Findings from a meta-analysis of ABA-based early intervention programs for children with ASD found considerable variability in sample size, study design, type and intensity of treatment, and results; however, early and intensive ABA treatment still had a positive effect in many young children with ASD.[26]

Some of the challenges of studying the efficacy of ABA therapy have been in establishing standardized measures of improvement to compare across studies and generalizability across the broader ASD population.[27,28] Despite these challenges, ABA has been studied extensively for the treatment of ASD, has shown to have a positive effect on the developmental progress of many children with ASD, and has been endorsed by several professional organizations, including the National Institute of Mental Health, as well as by the U.S. Surgeon General.[29]

[19] M.A. Maglione, D. Gans, L. Das, J. Timbie, and C. Kasari. 2012. Nonmedical interventions for children with ASD: Recommended guidelines and further research needs. Pediatrics, 130(Supplement 2): S169–S178. http://pediatrics.aappublications.org/content/130/Supplement_2/S169.full (accessed 9/12/14).

[20] O.I. Lovaas. Teaching Individuals with Developmental Delays: Basic Intervention Techniques (Austin, TX: PRO-ED Inc., 2003).

[21] R.M. Foxx, R. M. 2008. Applied behavior analysis treatment of autism.

[22] .L. Matson, N.C. Turygin, J. Beighley, R. Rieske, K. Tureck, and M.L. Matson. 2012. Applied behavior analysis in autism spectrum disorders: Recent developments, strengths, and pitfalls. Research in Autism Spectrum Disorders 6(1): 144–50.

[23] L. Schreibman. 2000. Intensive behavioral/psychoeducational treatments for autism: Research needs and future directions. Journal of autism and developmental disorders 30(5): 373–78. http://link.springer.com/article/10.1023/A%3A1005535120023 (accessed 9/9/14)

[24] J.L. Matson, D.A. Benavidez L. Stabinsky Compton, T. Paclawskyj, and C. Baglio. 1996. Behavioral treatment of autistic persons: A review of research from 1980 to the present. Research in Developmental Disabilities 17(6): 433–65.

[25] Matson et al. 2012. Applied behavior analysis in autism spectrum disorders.

[26] N. Peters-Scheffer, R. Didden, H. Korzilius, and P. Sturmey. 2011. A meta-analytic study on the effectiveness of comprehensive ABA-based early intervention programs for children with Autism Spectrum Disorders. Research in Autism Spectrum Disorders 5(1): 60–69.

[27] J.L. Matson et al. 1996. Behavioral treatment of autistic persons..

[28] J.L. Matson. 2007. Determining treatment outcome in early intervention programs for autism spectrum disorders: A critical analysis of measurement issues in learning based interventions. Research in developmental disabilities 28(2): 207–18.

[29] R.M. Foxx, R. M. 2008. Applied behavior analysis treatment of autism.

Federal Requirements for ASD Coverage

Historically, the federal government has had few ASD-specific coverage requirements for private health plans, Medicaid, or CHIP programs. However, the Patient Protection and Affordable Care Act (ACA) and recent guidance from the Department of Health and Human Services have created several new coverage standards that benefit individuals with ASD. Furthermore, in July 2014, the Centers for Medicare and Medicaid Services (CMS) issued a bulletin which stated that comprehensive ASD services must be covered for individuals under the age of 21 for all state Medicaid and Children's Health Insurance Programs.[30] States are sorting out the bulletin's scope and requirements and deciding how to implement this new coverage within their state plans in compliance with state and federal statutory requirements.[31]

Private Coverage for ASD

Under the ACA, both self-insured and fully-insured health plans[32] (in all states) must comply with several new federal standards, and many of these new standards will be relevant for individuals with ASD. For example:

- Coverage can no longer be denied because of a pre-existing condition;
- Higher premiums cannot be charged because of an individual's health history (for example, someone with ASD cannot be required to pay more because of their diagnosis);
- Coverage for certain preventative services must be provided without cost-sharing (including ASD screening for children aged 18 to 24 months); and
- Dependents are permitted to stay on their parent or guardian's health plan until age 26.

The ACA also includes coverage requirements that only apply to fully-insured health plans in the individual and small group markets. Specifically, the ACA requires individual and small group health plan products[33] to cover benefits in ten general categories known as the essential health benefits (EHB).[34] To define which services would be included in the EHB package, each state had to develop a "benchmark" plan based on an existing health plan product in the state. Twenty-six states, including Michigan, and the District of Columbia included ABA therapy for children with ASD as a required service in their benchmark plans, thereby ensuring ABA treatments were covered by new individual and small group health plan products sold in their states in 2014 and beyond.[35, 36]

Finally, as part of the EHB requirement, health plans in the individual and small group markets are required to cover mental health services. The ACA mandates that the mental health coverage provided by these plans comply with the Mental Health Parity and Addiction Equality Act of 2008 (MHPAEA), which requires health plans to ensure that financial and treatment limits on mental health services are comparable to those placed on medical services.

[30] C. Mann. Clarification of Medicaid Coverage of Services to Children with Autism. CMCS Information Bulletin (Baltimore, MD: Centers for Medicare and Medicaid Services and Center for Medicaid and CHIP services, July 7, 2014). http://www.medicaid.gov/Federal-Policy-Guidance/Downloads/CIB-07-07-14.pdf (accessed 8/27/14).

[31] V. Dickson. September 1, 2014. States question whether new CMS policy requires autism coverage. Modern Healthcare 44(35). http://www.modernhealthcare.com/article/20140830/MAGAZINE/308309929 (accessed 9/15/14).

[32] Private health plans are most commonly structured either as fully insured or self-insured health plans. While fully insured health plans are regulated by states, most self-insured health plans are regulated by the federal government under the Employee Retirement Income Security Act (ERISA) and are not subject to state law. Therefore, the benefits a health plan is required to provide by law vary by the type of plan and by the state in which it is sold. For example, in May 2014, 36 states had laws requiring that health plans cover ABA services for ASD, while self-insured plans regulated by the federal government are not required to provide ABA services.

[33] Includes non-grandfathered individual and small group health plan products sold both on and off the marketplaces.

[34] The ten EHB categories are ambulatory patient services; emergency services; hospitalization; maternity and newborn care; mental health and substance use disorder services; prescription drugs; rehabilitative and habilitative services and devices; laboratory service; preventive and wellness services and chronic disease management; and pediatric services, including oral and vision care.

[35] Michigan Office of Financial and Insurance Regulation. January 7, 2013. Order Requiring Coverage for Habilitative Service. Order No. 13-003-M. https://www.michigan.gov/documents/lara/1.7.13_Order_No_13-003-M_EHB_Habilitative_Services_407955_7.pdf (accessed 5/5/14).

[36] Autism Speaks. N.d. The Affordable Care Act and Autism: Essential Health Benefits, including Applied Behavior Analysis (ABA). http://www.autismspeaks.org/sites/default/files/docs/gr/ehb.10.31de_0.pdf (accessed 9/12/14).

Autism Treatment Coverage *(continued)*

Medicaid and CHIP

Federal law requires Medicaid programs to cover a minimum set of health care services for children, known as the Early, Periodic Screening, Diagnosis, and Treatment (EPSDT) benefit, which includes preventative, screening, diagnostic, and treatment services. Screening services for physical and mental conditions must be covered at specified intervals and whenever a problem is suspected, while diagnostic and treatment services must be covered when considered medically necessary.[37] In July 2014, the Center for Medicaid and CHIP Services released guidance affirming that, under EPSDT, medically necessary services for children with ASD must be covered by Medicaid, including behavioral therapies like ABA.[38] States will need to review the federal guidance and select an implementation process that complies with both federal and state statutory requirements,[39] particularly the few states that have Medicaid waivers to provide ASD-related services to children. Due to limited funding for these Medicaid waiver programs, many of the states have prioritized services for the most severe cases of ASD and maintain waiting lists for others to enroll into the waiver service.

State CHIP programs provide coverage for uninsured children whose families cannot afford private coverage but earn too much to qualify for Medicaid. Under CHIP, states are able to design their own program and benefit packages. Therefore, coverage for ASD services provided by CHIP varies widely by state.[40]

[37] Health Resources and Services Administration. N.d. EPSDT Overview. http://mchb.hrsa.gov/epsdt/overview.html (accessed 9/12/14)

[38] C. Mann. July 7, 2014. Clarification of Medicaid Coverage of Services to Children with Autism. CMCS Information Bulletin

[39] D. Gorn. July 21, 2014. Many Steps To Go Before Authorizing Autism Therapy as Benefit, State Says. California Healthline. http://www.californiahealthline.org/capitol-desk/2014/7/many-steps-to-go-before-authorizing-autism-therapy-as-benefit-state-says (accessed 9/12/14).

[40] Centers for Medicare & Medicaid Services. N.d. CHIP Benefits. http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Childrens-Health-Insurance-Program-CHIP/CHIP-Benefits.html (accessed 9/12/14).

ASD Coverage in Michigan

Prior to the autism insurance mandate in Michigan and the Affordable Care Act changes, many health insurance policies limited their coverage of ASD services to diagnostic services or a finite number of visits for occupational, physical, and speech therapy. Many plans considered behavioral therapy for ASD, such as ABA, to be experimental treatment, and few health plans covered such therapies. Medicaid and MIChild covered services considered medically necessary regardless of diagnosis, including occupational, physical, speech therapy, and some behavioral therapy such as family therapy, but ABA therapy was not covered.

In 2012 and 2013, Michigan passed legislation aimed at increasing access to early and intensive treatment interventions for children with ASD. Brian Calley, the lieutenant governor of Michigan during the passage of this legislation, has a child with ASD and played a significant role in advocating passage of the legislation. These laws are discussed on the following page.

Private Coverage Mandate and Reimbursement

Coverage for ASD-related services shifted rapidly for children in Michigan, starting in 2012, when Michigan became the 30th state to require all state-regulated private insurance health plans to cover diagnosis and medically necessary treatments for all covered children with ASD through 18 years of age.[41,42] The law requires all state-regulated health plans (for-profit, HMO, and nonprofit) to cover ASD-related services for diagnosis, evidence-based behavioral health (including ABA therapy), pharmacy, psychiatry, psychology, and therapeutic care up to a specified spending limit based on the child's age. However, the annual dollar limits were eliminated for health plan products due to a conflict with federal law.[43] While many behavioral health services associated with ASD are also used for other health conditions and are generally covered under health plans' mental health benefit package, ABA therapy is a newly covered service for most plans. Additionally, any cost-sharing (such as copayments or deductibles) that is applied to an ASD-related service must also be applied to physical health services in general.

As a part of providing coverage, insurers can require the use and submission of an autism diagnostic observation schedule (ADOS) or other protocols for diagnosing and assessing ASD, treatment plans, and annual development evaluations. Treatment must be provided by a licensed professional for psychiatric and therapeutic care. Behavioral health treatments, such as ABA, must be provided or supervised by a board certified behavior analyst (BCBA)[44] or licensed psychologist with the appropriate training.

FIGURE 1

FIGURE: 1

Benefits for Children with Autism Spectrum Disorder in Michigan

	State-regulated Insurance Plans	Medicaid and MIChild Autism Benefit
Effective Date	October 2012	April 2013
Covered Population	Birth through 18 years old	18 months old through 5 years old
Requirements for coverage	Medical diagnosis of ASD by licensed physician or psychologist, and re-diagnosis every three years Providers much be licensed in their field (i.e., speech, occupational, physical therapies, and psychology) ABA therapy must be provided by a Board Certified Behavior Analyst (BCBA) or licensed psychologist with specific qualifications as an ABA provider	Medical diagnosis of ASD by a physician, child psychiatrist, fully licensed psychologist, or child mental health professional (CMHP) and validated by a physician, child psychiatrist, or fully licensed psychologist at a Pre-paid Insurance Plan (PIHP) ABA therapy must be provided under the supervision of either: 1. A Board Certified Behavior Analyst (BCBA), or 2. A licensed psychologist, a limited licensed psychologist, or a master's level child mental health provider (CMHP) who must become a BCBA by 9/30/2016.
Covered Treatment	Evidenced-based behavioral health treatment (including ABA) Pharmacy care Psychiatric care Psychological care Therapeutic care (speech, physical, and occupational therapy)	Applied behavior analysis*
Limitations	Hourly or daily limits are permitted during 2014. Starting January 1, 2015, insurers will not be able to place dollar limits or non-quantitative limits (e.g., visit limits, hourly limits, or daily limits) on treatments for ASD.	Coverage ends for children when they turn 6 years of age

* Prior to the new ABA benefit, Medicaid and MIChild programs included many services that children with ASD could access including speech therapy, physical therapy, occupational therapy, family training, and medication administration and review.

[41] The Nonprofit Health Care Corporation Reform Act of 1980 (Excerpt). MCL §550.1416e. 2012 http://legislature.mi.gov/doc.aspx?mcl-550-1416e (accessed 9/19/14).

[42] The Insurance Code of 1956 (Excerpt). MCL §550.3406s, as amended. 2012. http://legislature.mi.gov/doc.aspx?mcl-500-3406s (accessed 9/19/14).

[43] Under the private insurance mandate for ASD services, insurers were not allowed to place visit limits on treatments, but were able to use annual dollar limits, for example, $50,000 (ages birth to 6), $40,000 (ages 7–12), $30,000 (ages 13–18)). However, in 2014, provisions in the ACA went into effect that prohibited health plan products from placing annual dollar limits on most covered services. To address the conflict, Michigan's insurance commissioner ordered that non-grandfathered health plan products cannot place any dollar or non-quantitative limits (such as visit, hourly, or daily limits) on treatments for ASD beginning January 1, 2015. See Michigan Office of Financial and Insurance Regulation, April 18, 2014, Order Requiring Coverage for Habilitative Service, Order No. 14-017-M. **http://www.michigan.gov/documents/difs/Order_14-017-M_ASD_454005_7.pdf** (accessed 5/5/14).

[44] In order to satisfy the mandate to provide ABA services when medically necessary, commercial health insurers needed to contract with BCBAs/BCaBAs. Unlike all other providers in the state with whom insurers contract, BCBAs/BCaBAs are the only provider group that is not licensed by the State of Michigan. This lack of licensure has left insurers responsible for verifying the credentials of BCBAs/BCaBAs.

[45] CHRT analysis of 2012 Medical Loss Ratio Data provided by CMS.

Autism Coverage Reimbursement Fund

In 2012, 63.5 percent of individuals in Michigan who had coverage through an employer were enrolled in a self-insured plan and therefore exempt from the state autism mandate.[45] To encourage all health plans to cover ASD services, the Michigan Legislature established the Autism Coverage Reimbursement Fund for all health insurance carriers and for self-insured plans that have begun offering coverage for ASD to help offset the costs of offering benefits for the diagnosis and treatment of ASD.[46] Michigan is the first state to establish a state fund that reimburses insurers who submit claims for providing ASD-related services. Health insurance carriers and self-funded plans access the fund by registering with the Michigan Department of Insurance and Financial Services and submitting reimbursement requests for ASD-related claims via an online system.[47]

As of June 2014, 23 self-insured employers had begun offering the benefit; many of them submit ASD claims for their covered employees or dependents to the fund for reimbursement.[48] Other self-insured employers had not yet chosen to offer the ASD benefit because of concerns about increased long-term health care costs. When the fund was established, the legislature appropriated a total of $26 million to the fund ($15 million in fiscal year 2013 and $11 million in FY 2014) with no guarantee about how long that money will last. As of September 30, 2014, the fund had approximately $22.0 million remaining; however, the legislature does have the authority to redistribute the funds to other programs or services.[49, 50, 51] Without the fund, the Michigan Senate Fiscal Agency projected the mandate would cause an increase in health insurance costs in the state of a maximum of 0.5 percent.[52]

Medicaid & MIChild Coverage of ASD Services

Prior to 2013, children enrolled in Medicaid and MIChild had access to medically-necessary services for ASD,[53] but did not have coverage for ABA. In April 2013, the Michigan Legislature established a benefit program to provide ABA services for all children diagnosed with ASD from 18 months through five years of age, regardless of the level of severity of the disorder Figure 1 in order to more closely align ASD coverage in the Medicaid and MIChild programs with the private insurance mandate.[54]

To access the ABA benefit program, a child enrolled in Medicaid or MIChild who shows signs of ASD must be referred to the prepaid inpatient health plan (PIHP)[55] associated with the local community mental health (CMH) agency to receive a diagnostic evaluation. If a child receives a diagnosis of ASD from a child mental health professional, validated by a licensed psychologist or physician, the PIHP and the child's providers will develop a treatment plan that includes a combination of ABA and other ASD treatments, such as speech therapy, occupational therapy, and/or family training.[56]

The new ABA benefit is intended to supplement services provided at schools or other settings, such as special education, and may be provided for different periods of time and levels of intensity, depending on the needs of the child and his or her family. ABA supervisors must meet certain licensing or certification requirements in order to deliver ABA therapy (see Figure 1).[57]

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[46] Autism Coverage Reimbursement Act. MCL §550.1835 – 1837. 2012. http://www.legislature.mi.gov/documents/2011-2012/publicact/pdf/2012-PA-0101.pdf (accessed 9/19/14).

[47] Michigan Department of Insurance and Financial Services. Autism Coverage Reimbursement Program. https://public.mphi.org/sites/autism/Pages/default.aspx (accessed 9/12/14).

[48] Autism Alliance of Michigan. N.d. State Regulated and Self-Funded Insurance. https://sites.google.com/site/aaominscollaborative/state-regulated-and-self-funded-insurance (accessed 9/12/14).

[49] At the time of publication, legislation was pending that would have allowed a one-time appropriation of up to $5.5 million from the Autism Coverage Fund in FY 2014-15. House Bill 5742 also included a statement of legislative intent to reimburse the fund in FY 2015-16.
Senate Fiscal Agency. October 1, 2014. H.B. 5742 (H-2): Summary of House-Passed Bill in Committee. http://www.legislature.mi.gov/documents/2013-2014/billanalysis/Senate/pdf/2013-SFA-5742-L.pdf

[50] Department of Insurance and Financial Services. June 24, 2014. Autism Claims [Autism Payments]. Obtained from the Michigan Department of Community Health on 9/9/14.

[51] House Fiscal Agency. July 18, 2014. Department of Community Health: Summary of FY 2014-15 Enacted Appropriations: Article IV, 2014 Public Act 252 (House Bill 5315). http://www.house.mi.gov/hfa/PDF/Summaries/DCH_FY15_Enacted_Summary_PA252_HB5313.pdf (accessed 9/12/14).

[52] Senate Fiscal Agency. May 2, 2012. Bill Analysis: Senate Bills 114, 115, and 981(as enacted). http://www.legislature.mi.gov/documents/2011-2012/billanalysis/senate/pdf/2011-SFA-0414-N.pdf (accessed 5/30/14).

[53] Michigan Department of Community Health. Medical Services Administration. March 1, 2013. MSA 13-09: Coverage of Autism Services. http://www.michigan.gov/documents/mdch/MSA_13-09_412863_7.pdf (accessed 6/6/14).

[54] Prepaid inpatient health plans (PIHPs) are Medicaid behavioral health managed care organizations that contract with community mental health (CMH) agencies to manage Medicaid patients' behavioral health care. Medicaid funds are allocated to PIHPs based on the number of Medicaid beneficiaries in the PIHPs' service area, and PIHPs pay health care providers directly. Currently, there are 10 PIHPs that are responsible for 46 CMHs covering all 83 counties. For more information, see: D. Ederer, N. Baum, M. Udow-Phillips,, Community Mental Health Services: Coverage and Delivery in Michigan (Ann Arbor, MI: CHRT, December 2013), http://www.chrt.org/assets/policy-papers/CHRT_Community-Mental-Health-Services-Coverage-and-Delivery-in-Michigan.pdf .

[55] State of Michigan. N.d. Medicaid & MI Child Autism Benefit. http://www.michigan.gov/autism/0,4848,7-294-63682---,00.html (accessed 6/6/14).

[56] A licensed psychologist, limited licensed psychologist, or CMHP supervising the ABA plan must have one year of experience in diagnosing and/or treating children with ASD based on principles of ABA and must enroll in a BCBA-eligible course sequence within one year of the time they begin providing ABA services, and must complete all eligibility requirements and be certified as a BCBA no later than September 30, 2016. LPs and LLPs must work on consultation with the BCBA and the CMHP must be supervised by the BCBA.

[57] Michigan Department of Community Health. September 10, 2014. Personal communication.

Challenges and Opportunities Created by Michigan's ASD Legislation

Challenges with ASD Coverage Implementation

Since the autism insurance mandate and Medicaid/MIChild requirements went into effect, one of the major obstacles in delivering ASD-related services has been the shortage of behavior analysts in Michigan. As of July 2014, there are 240 certified behavior analysts in the state, but fewer than half of them treat individuals with ASD[58], compared to an estimated 16,000 children in Michigan public schools with ASD. [59, 60,61] While only some of the behavior analysts have historically treated individuals with ASD, many more are focusing their work on treating individuals with ASD now that they can be reimbursed for ASD-related services. Behavior analysts may have a caseload of six to 24 patients at one time, depending on the complexity of the cases and whether or not there is additional personnel support.[62] By comparison, there are more than 7,000 licensed occupational therapists, over 13,000 licensed physical therapists, about 4,000 licensed speech and language pathologists, and more than 7,000 licensed psychologists (master's and doctorate) in Michigan.[63]

Moreover, in order to satisfy the mandate to provide ABA services when medically necessary, commercial health insurers needed to contract with board certified behavior analysts (BCBAs) and board certified assistant behavior analysts (BCaBAs). Unlike the other providers in the state that insurers contract with, BCBAs/BCaBAs are the only provider group that is not licensed by the State of Michigan. This lack of licensure has left insurers responsible for verifying the credentials of BCBAs/BCaBAs, which is an additional step and liability for insurers.

In addition to the limited number of ABA providers and the lack of BCBA/BCaBAs licensure in Michigan, both the private insurance mandate and Medicaid/MIChild autism mandates have limitations on the type of provider that can deliver ASD diagnoses.[64] While the purpose of the limitation is to ensure that children are appropriately diagnosed and receive an effective treatment plan, insurer requirements for members to use designated autism evaluation centers—combined with the limited number of such centers—have resulted in placing many children who need a diagnosis and treatment plan on waiting lists to receive those services. As of September 2014, wait times varied between one and 24 months, depending on the age of the child and the location of the center.[65] Providers and insurers are in the process of establishing additional diagnostic centers, but it is not clear when these facilities will be open.

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[58] Behavior Analysts Certification Board. Certificate Registry. http://www.bacb.com/index.php?page=100155 (accessed 9/19/14).

[59] Michigan Department of Education, Office of Special Education. 2014. Michigan Part B Annual Performance Report for FFY 2012 (2012-2013). (OMB NO: 1820-0624/Expiration Date: 7/31/2015). **http://www.michigan.gov/documents/mde/MI_PartB_APR_FFY_2012_446666_7.pdf** (accessed 9/15/14).

[60] Blue Care Network. June 4, 2014. Personal communication.

[61] Behavior Analyst Certification Board Inc. 2012. Guidelines: Health Plan Coverage of Applied Behavior Analysis Treatment for Autism Spectrum Disorder. Version 1.1. **http://www.bacb.com/Downloadfiles/ABA_Guidelines_for_ASD.pdf** (accessed 6/30/14).

[62] July 2014 Active License Counts. Health Professions Licensing Division, Department of Licensing and Regulatory Affairs. **http://www.michigan.gov/documents/lara/License_Counts_050114_455333_7.pdf** (accessed 9/15/14).

[63] For state-regulated insurance plans, ABA therapy must be provided by a BCBA or licensed psychologist with specific qualifications as an ABA provider in order for those services to be covered by the insurer. Most insurers only process claims from BCBAs. Under Medicaid and MIChild, ABA therapy must be provided under the supervision of a BCBA, licensed psychologist, limited licensed psychologist, or master's-level child mental health provider (CMHP).

[64] Lisa Grost, Administrator of the Michigan Autism Program at the Michigan Department of Community Health. September 10, 2014. Personal communication.

[65] Personal communication with approved autism evaluation centers.

Opportunities with ASD Coverage Legislation

The legislation provides an opportunity for expanding the ABA provider network in Michigan. In 2013, MDCH allocated $2.6 million in funding, with support from the Michigan Legislature, for initiatives at several universities and a nonprofit organization to increase the number of ABA professionals and expand services in the state FIGURE 2.[66] In addition to the state funding to expand BCBA programs and services, six universities in Michigan currently have BCaBA and/or BCBA programs,[67] some of which have offered stipends to encourage enrollment. In the most recent academic year, approximately 50 students completed their ABA program at a Michigan university, which may take two years for an eligible full-time student. Graduation rates will increase as other universities implement BCBA programs or expand their current programs.

Michigan's autism mandate legislation and its implementation create an opportunity to better understand the treatment of ASD and to learn how to design benefit packages to cover other mental health services. Specifically, implementation of these laws provides insight on the effects of benefit design for evidence-based treatment, such as ABA, on the quality of services, access to care, provider network, and associated costs to deliver services. Additionally, the establishment of the reimbursement fund provides insight on how states can develop legislation for ASD-related coverage that encourages employers offering self-insured plans to participate and how a coverage fund could mitigate the potential increases in health insurance premiums as a result of the autism mandate.

FIGURE:2

Goals and Objectives for Autism Education Centers and Program Grants in Michigan, FY2014

Central Michigan University	Eastern Michigan University	Oakland University	Western Michigan University	Autism Alliance of Michigan
Goals				
Develop BCBA and BCaBA degree programs	Expand the Autism Collaborative Center in Southeast Michigan	Develop a vocational program to prepare individuals with ASD for employment in specific industries	Build resources for children with ASD and their families (e.g., tele-consultation for community mental health agencies)	Create an adult service resource and trainings for families, caregivers, and schools
Select Objectives				
Enroll at least 25 students in the BCaBA program and at least 8 graduate students in the BCBA program	Provide 10 trainings on ASD diagnostics, evaluations, individualized education plans to professionals and families	Develop vocational program to train 15 individuals with ASD for employment in film/ entertainment media industry	Produce and disseminate 8 to 10 video podcasts relevant to autism spectrum disorder for professionals serving individuals with ASD, families and caregivers	Provide 100 autism safety trainings to law enforcement, emergency responders, schools, families, and jail diversion programs

[66] The six universities are Central Michigan University, Eastern Michigan University, Michigan State University, Oakland University, Wayne State University, and Western Michigan University.

[67] Lisa Grost, Administrator of the Michigan Autism Program at the Michigan Department of Community Health . May 6, 2014. E-mail communication.

Conclusion

Nationally and in Michigan, recent legislative requirements establish several health coverage standards that benefit individuals with ASD. Under the ACA, some of these changes include requiring health plans to cover treatment for pre-existing conditions and to provide access to preventative services (such as ASD screening) without cost-sharing, and establishing essential health benefits for individual and small group plans which, in slightly more than half the states, include ABA treatment. In Michigan, many privately insured children with ASD now have access to medically necessary treatments and many children with ASD on Medicaid have access to ABA treatment, regardless of their level of severity. Additionally, Michigan is the first state to provide a state-based fund for private insurance carriers covering ASD-related services for children to offset initial costs of adding this new benefit. Alongside the expanded private and public coverage for children with ASD, behavior analysts are now eligible for reimbursement for their services and universities in Michigan are responding to this shift by expanding ABA programs to enlarge the provider network. Tracking the outcomes of these laws and state initiatives over time will provide valuable lessons for autism coverage nationwide.

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