Key Findings

Analysis of California Senate Bill 562 Autism

Summary to the 2021–2022 California State Legislature, April 16, 2021

CALIFORNIA HEALTH BENEFITS REVIEW PROGRAM

SUMMARY[1]

The version of California Senate Bill 562 analyzed by CHBRP would alter the current law that requires coverage of behavioral health treatment (BHT) for autistic spectrum disorder (ASD). SB 562 would expand the definition of BHT to include treatment modalities based on developmental theory, would make technical changes to definitions related to network adequacy, and would prohibit denial of coverage based on either lack of parental/caregiver involvement or treatment setting time, or location. In 2022, of the 21.9 million Californians enrolled in state-regulated health insurance, 13.9 million of them would have insurance subject to SB 562.

Benefit Coverage: Postmandate, 74% of enrollees could no longer be denied BHT coverage due to lack of parental involvement and 56% could no longer be denied BHT coverage due to setting. In addition, 23% enrollees would gain coverage for BHT based on developmental theory.

Medical Effectiveness: There is evidence of effectiveness for BHT modalities based on behavioral theory, based on developmental theory, or based on both. There is evidence of effectiveness for BHT delivered in multiple settings. Although outcomes may improve with parent/caregiver involvement, there is evidence that BHT is effective when furnished only by providers.

Cost and Health Impacts[2]: In 2022, SB 562 would increase total net annual expenditures for commercial/CalPERS enrollees by $4,112,000 (0.0031%). Among these enrollees, utilization would increase by an *average* of 1.8 hours per year for persons with ASD under 13 year of age already using BHT,. For some of these enrollees, the increase may improve outcomes such as intelligence quotient (IQ), language skills, socialization, and adaptive behaviors.

CONTEXT

Behavioral health treatment (BHT) for autistic spectrum disorder (ASD) is on a continuum — from modalities based on behavioral theory, such as applied behavioral analysis (ABA)[3], to modalities based on developmental theory, such as developmental social pragmatic model (DSPM). In the middle are modalities based on both behavioral and developmental theories, such as naturalistic developmental behavioral interventions (NDBI).

A current California law[4] places requirements on plans and policies regulated by the California Department of Managed Care (DMHC) and the California Department of Insurance (CDI). The law:

- Requires coverage for BHT for ASD and specifies that BHT is inclusive of behavioral modalities, specifying those based on a behavioral theory, (ABA).
- Requires provider networks to include qualified autism service (QAS) providers supervising/ employing QAS professionals or QAS paraprofessionals and provides definitions for all three.

The law that SB 562 would alter exempts from compliance the benefit coverage of Medi-Cal beneficiaries enrolled in plans or policies regulated by DMHC (see Figure A).

BILL SUMMARY

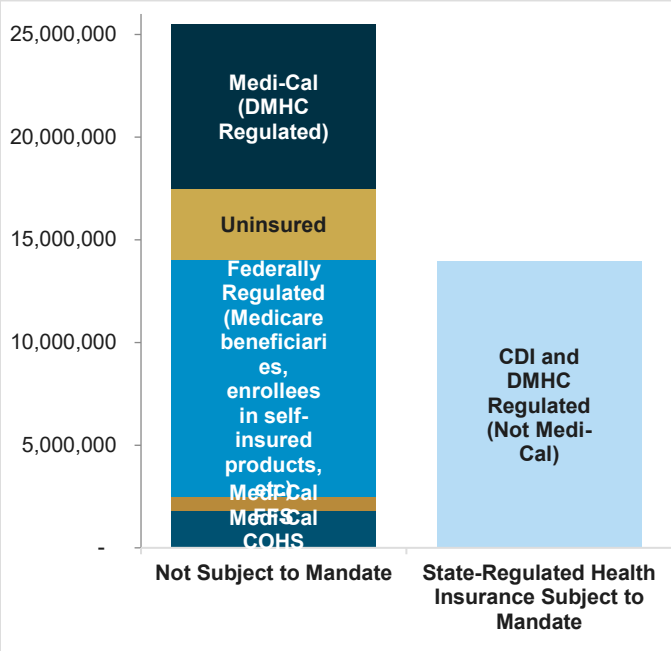
SB 562 would alter the current law. SB 562 would:

- Expand the definition of BHT to include modalities based on developmental theory, such as those based on developmental social pragmatic model (DSPM).
- Make technical changes to the definitions of QAS providers, professionals, and paraprofessionals.

[1] Refer to CHBRP's full report for citations and references.
[2] Similar cost and health impacts could be expected for the following year, though possible changes in medical science and other aspects of health make stability of impacts less certain as time goes by.
[3] BHT modalities based on ABA are often referred to as "ABA," but each has its own name.
[4] Health & Safety Code 1374.73 and Insurance Code 10144.51.

- Prohibit denial of coverage for BHT based on:
  - Lack of parental involvement.
  - Setting, location, or time of treatment.

Figure A. Health Insurance in CA and SB 562



Source: California Health Benefits Review Program, 2021.

IMPACTS

Medical Effectiveness

Most studies of BHT are observational studies that compare a specific treatment modality to usual care. This makes it difficult to assess the relative effectiveness of modalities based on behavioral versus hybrid versus developmental theory.

More studies of BHT modalities based on behavioral theory have been published than studies of BHT based on developmental theory or hybrid theories. However, regardless of the theoretical framework underpinning a BHT modality, most studies are observational studies which limits the ability to determine whether changes in outcomes experienced by people with ASD are due to receipt of the BHT modality the study assesses versus other factors that may affect outcomes.

For the modalities based on behavioral theory (ABA):

- There is a *preponderance*[5] of evidence that Discrete Trials Training improves intelligence quotient and adaptive behavior. Evidence is *inconclusive*[6] regarding effects on language and academic outcomes.
- There is *limited*[7] evidence that Pivotal Response Training improves language and communication.

For modalities based on both behavioral and developmental theory (NDBI):

- There is a *preponderance* of evidence that Early Start Denver Model improves language. Evidence regarding effects on ASD severity and symptom outcomes is *inconclusive*.
- There is a *preponderance* of evidence that Social Skills Group therapy improves social behavior.
- Evidence is *inconclusive* regarding the effect of Project ImPACT on communication outcomes.

For modalities based on developmental theory (DSPM):

- There is a *preponderance* of evidence that DIR®/ Floortime™ improves communication, engagement, and relationships.
- Evidence is insufficient[8] regarding effects of Relationship Developmental Intervention on outcomes related to communication, social interaction, and academic placement.
- There is a *preponderance* of evidence that Treatment and Education of Autistic and Related Communication-Handicapped Children (TEACCH) improves adaptive behavior and motor skills. Evidence is *inconclusive* regarding effects on language and communications outcomes.

[5] *Preponderance of evidence* indicates that the majority of the studies reviewed are consistent in their findings that treatment is either effective or not effective.
[6] *Inconclusive evidence* indicates that although some studies included in the medical effectiveness review find that a treatment is effective, a similar number of studies of equal quality suggest the treatment is not effective.
[7] *Limited evidence* indicates that the studies have limited generalizability to the population of interest and/or the studies have a fatal flaw in research design or implementation.
[8] *Insufficient evidence* indicates that there is not enough evidence available to know whether or not a treatment is effective, either because there are too few studies of the treatment or because the available studies are not of high quality. It does not indicate that a treatment is not effective.

Although parent and caregiver involvement in BHT may result in greater improvements, BHT improves outcomes regardless of whether parents or caregivers are involved.

There is a *preponderance* of evidence that BHT can be delivered effectively in multiple settings.

Benefit Coverage, Utilization, and Cost

Provider networks are compliant with the current mandate and although provider networks could change due to the alterations that SB 562 would make in qualified autism service (QAS) provider definitions, CHBRP does not anticipate measurable change within the first year of implementation.

Benefit Coverage

At baseline, 100% of commercial/CalPERS enrollees with health insurance that would be subject to SB 562 have coverage for modalities of BHT based on behavioral theory and hybrid modalities (behavioral and developmental). Postmandate, coverage for modalities based on developmental theory would rise among these enrollees from 77% to 100%.

At baseline, 26% of enrollees with health insurance that would be subject to SB 562 have coverage for BHT regardless of parental involvement, while 44% have coverage regardless of the setting, time, or location for the BHT. Postmandate,100% of enrollees would have coverage for BHT compliant with SB 562.

Utilization

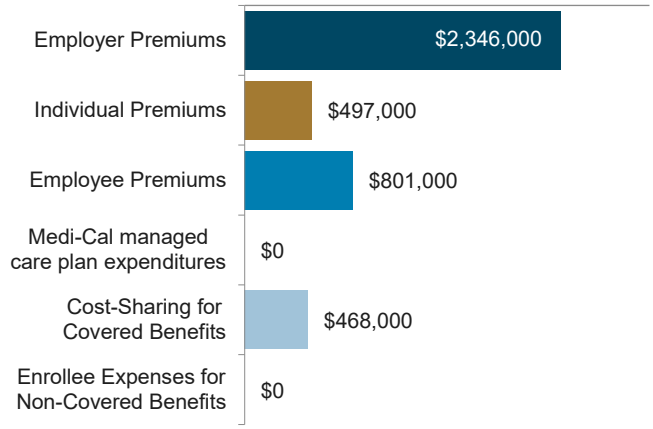
At baseline, the average annual hours of BHT per 1,000 enrollees with ASD is 166.3.The change in the definition of BHT (developmental theory as well as behavioral theory) may alter the mix of used modalities, but is not expected to alter the total number of hours used.

However, CHBRP projects an increase in BHT utilization due to SB 562's prohibition of denials related to parent/caregiver involvement and denials related to treatment setting, time, or location. Since BHT is most commonly used by children with ASD who are under 13 years old, CHBRP projects that the increase in average annual number of hours of BHT will derive from an increase in the moderate users of BHT (10 to 25 hours per week) in that age range. Each provision will separately increase the overall usage hours of BHT. Combined, they will raise the overall average annual hours of BHT per 1,000 enrollees with ASD to 168.2 hours.

Expenditures

As noted in Figure B, SB 562 would increase total net annual expenditures (premiums and enrollee expenses for covered and noncovered benefits) for commercial/CalPERS enrollees in DMHC-regulated plans and CDI-regulated policies by $4,112,000 (0.0031%).

Figure B. Expenditure Impacts of SB 562



Source: California Health Benefits Review Program, 2021.

Medi-Cal

The law SB 562 would alter exempts from compliance the benefit coverage of Medi-Cal beneficiaries enrolled in DMHC-regulated plans. SB 562 would not alter that exemption and so would have no impact on Medi-Cal.

CalPERS

SB 562 would increase premiums for CalPERS by $204,000 (0.0035%).

Number of Uninsured in California

Because the change in average premiums does not exceed 1% for any market segment, CHBRP would expect no measurable change in the number of uninsured persons due to the enactment of SB 562.

Public Health

Commercial/CalPERS enrollees with ASD under 13 years of age who already use BHT would increase their utilization by an *average* of 1.8 hours per year per BHT user in 2022. Based on the evidence, CHBRP finds that such an increase would not likely have a public health impact in the first year, postmandate. However, the

increase in BHT hours may improve BHT outcomes such as intelligence quotient (IQ), language skills, socialization, and adaptive behaviors on an individual basis for some persons with ASD.

Long-Term Impacts

After the small increase in utilization in the first 12 months, there is no indication in the research literature that the trends will change much over time. The overall number of commercial/CalPERS enrollees in DMHC-regulated plans or CDI-regulated policies with ASD who use BHT is expected to remain generally constant over time. CHBRP therefore does not estimate any change in long-term impacts in utilization, because the rate of BHT use will also remain generally consistent over time.

Over the long-term, the first-year cost increase findings would apply annually thereafter. However, the research literature has shown that BHT in children with autism improves their overall health and functioning over time, including gains made for adolescents. Therefore, it is likely that the improvements in health outcomes that result from receipt of BHT among younger children with ASD will result in overall lower health care costs over their lifetimes, although this cannot be quantified.

Essential Health Benefits and the Affordable Care Act

For two reasons, SB 562 would not trigger financial costs to the state for exceeding EHBs. First, SB 562 alters the terms and conditions of an existing benefit mandate law, but does not require an additional benefit to be covered. Second, the current law that SB 562 would alter expressly indicates that it ceases to function if it exceeds EHBs and SB 562 does not eliminate this clause of the current law. Thus, neither the current law nor the version SB 562 would create would function if deemed to exceed EHBs.