

BILL ANALYSIS

Senate Research Center
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S.B. 419
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The incidence of Autism Spectrum Disorder (ASD) among children has steadily increased in the past decade. The U.S. Centers for Disease Control and Prevention (CDC) recently completed a comprehensive study on the prevalence of ASDs, which concluded that one in 150 children experience some form of ASD. There is substantial evidence suggesting that when children with ASD receive early intervention treatments, many of the behaviors associated with their condition can be reversed or minimized. The U.S. spends \$90 billion on ASD per year, 90 percent of which is spent on adult services. Early intervention for ASD can cut lifetime costs by two-thirds, but the initial costs associated with providing treatment prevent the majority of families from being able to afford early intervention services.

Currently, between 90 and 95 percent of private health plans deny coverage for ASD. Insurers deny treatment coverage for children with ASD by classifying ASD as a mental illness, although autism is recognized as a neurobiological disorder in the Diagnostic and Statistical Manual of Mental Disorders of the American Psychiatric Association.

As proposed, S.B. 419 defines "neurobiological disorder" and "autism spectrum disorder" and requires ASD treatment to be covered by insurance for children ages three to five years, since ASD is usually diagnosed between 12 and 36 months.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 (Section 1355.256, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 1355, Insurance Code, by adding Subchapter F, as follows:

SUBCHAPTER F. HEALTH BENEFIT PLAN COVERAGE FOR ENROLLEE WITH AUTISM SPECTRUM DISORDER

Sec. 1355.251. DEFINITIONS. Defines "autism spectrum disorder," "enrollee," and "neurobiological disorder."

Sec. 1355.252. APPLICABILITY OF SUBCHAPTER. (a) Sets forth the health benefit plans (plans) to which this subchapter applies.

(b) Provides that this subchapter applies to health and accident coverage provided by a risk pool created under Chapter 172, Local Government Code, notwithstanding Section 172.014, Local Government Code, or any other law.

(c) Provides that this subchapter applies to certain basic and primary coverage plans.

Sec. 1355.253. EXCEPTION. Sets forth specific plans and policies to which this subchapter does not apply.

Sec. 1355.254. EXCLUSION OF COVERAGE AND DENIAL OF BENEFITS PROHIBITED. Prohibits a health benefit plan from excluding coverage or denying benefits otherwise available to an enrollee for treatment, equipment, or therapy based on the enrollee having autism spectrum disorder ASD.

Sec. 1355.255. REQUIRED COVERAGE FOR CERTAIN CHILDREN. (a) Requires a plan to provide coverage to an enrollee older than two years of age and younger than six years of age who is diagnosed with ASD. Provides that if the enrollee becomes six years of age or older and continues to need treatment, this section does not preclude coverage of treatment and services described by Subsection (b).

(b) Requires the plan to provide coverage to the enrollee for all generally recognized services prescribed in relation to ASD by the enrollee's primary care physician in the treatment plan recommended by that physician. Sets forth certain requirements for the prescribing physician's licensing, certification, and registration. Defines "generally recognized services."

(c) Authorizes coverage under Subsection (b) to be subject to annual deductibles, copayments, and coinsurance that are consistent with the annual deductibles, copayments and coinsurance required for other types of coverage.

Sec. 1355.256. RULES. Requires the commissioner of insurance to adopt rules as necessary to administer this subchapter.

SECTION 2. Amends Section 1355.001(1), Insurance Code, to redefine "serious mental illness."

SECTION 3. Amends Section 1507.004, Insurance Code, by adding Subsection (c), to require a standard health benefit plan to include coverage as required by Subchapter F, Chapter 1355, for treatment for an enrollee with ASD.

SECTION 4. Amends Section 1507.054, Insurance Code, as follows:

Sec. 1507.054. New heading: STANDARD HEALTH BENEFIT PLANS AUTHORIZED; COVERAGE REQUIREMENT. (a) Creates this subsection from existing text.

(b) Requires a standard health benefit plan offered by a health maintenance organization to include coverage as required by Subchapter F, Chapter 1355, for treatment for an enrollee with ASD.

SECTION 5. Makes application of this Act prospective.

SECTION 6. Effective date: September 1, 2007.