



DIFP

**Annual Report
to the Missouri Legislature**

**Insurance Coverage
for Autism Treatment
& Applied Behavior
Analysis**

Statistics Section
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Table of Contents	
Executive Summary	1
Introduction	4
Coverage	6
Treatment Rates	7
Claim Payments	8
Licensure	10
Consumer Complaints	12
Enforcement Actions	13
Health Insurance Market in Missouri	14
Medical Loss Ratio Rebates	16
Conclusion	17
Appendix: Autism Resources	18

Table of Tables	
Percent of Member Months With Coverage for ASD Treatment	6
Number of claims for treatment of an ASD	7
ASD-Related Claim Costs	8
ASD Treatment as a Percent of All Claims	8
Increase in ASD-Related Claim Payments 2011 - 2015	9
Claims Costs for ASD Treatment Per Member Per Month	9
Average Monthly Costs Per Person Treated for Autism	10
Applied Behavior Analyst Licensure in Missouri	10
Consumer Complaints / Inquiries	12

Executive Summary

This is the fifth annual report to the Missouri General Assembly related to insurance coverage for the treatment of autism spectrum disorders (ASDs), including applied behavioral analysis (ABA). The report is based on data filings to the DIFP from every insurer that reported comprehensive health insurance business on their financial annual statement. The DIFP makes every effort to make sure these data are accurate and complete. However, the accuracy of this report depends largely on the accuracy of the data filed by insurers.

The findings of this fifth annual report reflect a law that has matured in its implementation even within a continually evolving health insurance market. Through the five years since the passage of House Bill 1311, health insurance coverage has expanded significantly, particularly in the individual health market. The data show that autism coverage continued to expand into 2015, while the costs as a percent of overall health care costs remained negligible. For 2015, the cost of all autism treatments accounted for just 0.25 percent of total claims incurred and the cost of ABA therapy accounted for only 0.12 percent. These actual costs are consistent with the projections made by the DIFP prior to the passage of House Bill 1311 in 2010.

1. **Coverage.** Coverage for ASD treatment, including ABA therapy, significantly expanded in the individual market in 2014, and that trend continued into 2015. Due to changes in federal law, coverage for autism treatment in the individual market was expanded to all non-grandfathered plans in 2014. When the law first passed, just a little more than one-third of individual policies covered mandated autism benefits. By 2015, nearly 90 percent of individual policies provided the benefits as standard coverage. Only grandfathered plans in the individual market are not required to provide the coverage, but instead are required to offer the coverage as an optional rider under Missouri law.

2. **Number of Services.** Individuals diagnosed with an ASD received a total of 61,457 treatments, of which 32,997 were ABA sessions. This number is up from 14,505 ABA sessions in 2013 (the first year these data were collected).

3. **Claim payments.** Between 2011 and 2015, claim costs incurred for autism services increased from \$4.3 million to nearly \$10.3 million, of which \$5.2 million was directed to ABA services. However, it is important to note these amounts represent just 0.25 percent and 0.12 percent of total claims incurred in 2015, consistent with initial projections produced by the DIFP.¹ For each member month of autism coverage, total autism-related claims amounted to 60 cents, while the cost of ABA therapy amounted to 30 cents.

¹ The DIFP estimated that the mandate would produce additional treatment costs of between 0.2 percent and 0.8 percent. The analytical assumptions associated with the lower-end of the estimate range appear to be validated by the claims data presented in this report.

4. **Average Monthly Cost of Treatment.** For each individual diagnosed with an ASD who received treatment at some point during 2015, the average monthly cost of treatment across all market segments was \$320. Of that average monthly cost, ABA therapies accounted for \$161. The average, of course, includes individuals received minimal treatment as well as individuals whose treatments very likely cost significantly more.

5. **Impact on Premiums.** While costs associated with autism-related treatment have risen during the years since the mandate was enacted, the fact that these costs represent just over two-tenths of one percent of overall claim costs² makes it very unlikely that they will have any appreciable impact on insurance premiums. However, because the DIFP has no authority over health insurance rates and does not receive rate filings, a more exact assessment of the impact of the mandate on rates cannot be determined.

A summary of trends discussed above is displayed in the following table.

	2011	2012	2013	2014	2015
Amount Paid for Autism Services	\$4,310,010	\$6,550,602	\$8,289,917	\$9,804,254	\$10,279,708
Percent of Total Losses	0.10%	0.16%	0.20%	0.21%	0.25%
Monthly Cost per Individual for Autism Treatment	\$143	\$222	\$255	\$278	\$357
Cost Per Member Month					
All Autism Treatment	\$0.25	\$0.38	\$0.48	\$0.50	\$0.60
ABA Services	\$0.06	\$0.17	\$0.22	\$0.26	\$0.30
Number of autism related claims	*	*	43,372	51,855	61,457
Number of ABA claims	*	*	14,505	25,291	32,997

**Claims counts were first collected in 2013.*

² Prior to passage of HB 1311, the DIFP projected that the cost of the mandated benefits would equal between 0.2 and 0.8 percent of claim costs. Experience over the last four years indicates that actual costs are consistent with the lower bound of the projection.

6. **Self-Funded Plans.** This study focuses upon the licensed insurance market (i.e. those entities over which the DIFP has regulatory jurisdiction). Many employers provide health insurance by “self-insuring,” that is, by paying claims from their own funds. Such plans are governed under the federal Employee Retirement Income Security Act (ERISA), under which state regulation is preempted. Missouri law does extend the autism mandate to the Missouri Consolidated Health Care Plan (MCHCP), which covers most state employees, as well as all self-funded local governments and self-insured school districts. Because the DIFP lacks jurisdiction over private self-funded employers, the number of Missourians receiving autism benefits under private self-funded plans is unknown.

7. **Provider Licensure.** The first licenses for applied behavior analysis were issued in Missouri in December 2010. As of mid-January 2016, 338 licenses had been issued, and an additional 57 persons obtained assistant behavior analyst licenses. Of these, 279 behavior analyst licenses were still active, as were 33 assistant behavior analyst licenses.

Introduction

House Bill 1311, signed into law by Governor Jay Nixon on June 10, 2010, mandated health insurance coverage for medically necessary treatment of autism spectrum disorders (ASDs). All group policies issued or renewed after January 1, 2011 were required to extend ASD coverage to all insureds. All policies issued in the individual market were required to offer such coverage as an optional benefit for additional premium. In addition, the law required coverage for applied behavior analysis (ABA) for children up to 18 years of age. Required coverage for ABA was initially capped at \$40,000 per year, to be annually adjusted for inflation. The annual cap for ABA therapy stands at \$43,478 for 2016.

House Bill 1311 also directs the Department of Insurance, Financial Institutions and Professional Registration (DIFP) to assess the impact of the mandate on the health insurance market. This is the fifth annual report to the Missouri General Assembly.

Data were obtained from all insurers in the state with comprehensive health insurance in force and subject to the autism mandate. These data indicate that the mandate has succeeded in broadly extending coverage to individuals with an ASD. While overall claim costs for ASD-related treatment increased between 2011 and 2015, ASD-related claims amounted to just over two-tenths of one percent (0.25 percent) of overall claim costs in 2015. Since claims are only one component of total costs that impact health insurance rates, the overall impact of the mandate on rates is likely to be significantly less than 0.25 percent.

Background

Prior to the passage of HB 1311 in 2010, ASD treatments such as ABA therapy were commonly excluded because they were considered experimental, educational, or habilitative in nature. Prior analysis by the DIFP indicated insurance carriers did not offer benefits of a level or kind that could have been expected to have any significant impact on individuals diagnosed with an ASD. This analysis was consistent with the academic literature, which has documented that treatment for ASD was either generally paid out-of-pocket by parents and relatives, provided via public services such as special education programs, or in some cases the condition was left largely untreated. Further, insurer-compensated treatment was not targeted to young individuals for whom treatments are known to be most effective and most likely to achieve an enduring and dramatic improvement in symptoms.

To address the inadequate coverage for the treatment of ASDs in the private insurance market, and to ensure broader access to treatments, HB 1311 established broad coverage requirements for ASD treatments. Coverage for ABA therapy for individuals 18 and under was required up to \$40,000 per year (to be adjusted for inflation every third year thereafter). All group plans were required to provide coverage for all insureds. Individually underwritten health plans were

required to extend an offer of coverage for the mandated benefits. In addition, HB 1311 established a system of licensure for behavioral analysts to ensure the delivery of high-quality care.

HB 1311 became effective for all health insurance plans issued or renewed in Missouri after January 1, 2011. Subsequently, 12 additional states enacted mandates similar to the Missouri law, including the requirement to cover ABA services. Another two states added the benefits to state employee health coverage. To date, 43 states plus the District of Columbia have some form of mandate to cover treatment for ASDs.

To monitor the impact of HB 1311 on the health insurance market, the Missouri General Assembly included a requirement for the DIFP to annually collect data pertaining to the costs associated with providing the mandated benefits. The DIFP issued its first annual report on February 1, 2012. That report noted significant hurdles for the implementation of the new law: mandated coverage was not extended until the renewal date of a health insurance policy; therapists required training and credentialing to practice ABA therapy; providers faced infrastructure development to secure compensation for services that were previously excluded by most health insurance plans; and insureds faced a learning curve with respect to the scope of the newly available benefits. Data over the period 2011-2015 show that as the treatment delivery infrastructure has become more firmly established, the benefits of the ASD coverage mandate are becoming more fully realized.

Coverage

All insureds in the small and large group markets were covered for ASD treatment and ABA therapy by 2012. In both 2012 and 2013, a much lower proportion, less than one-third, received similar coverage in the individual market, including individually-underwritten association coverage. Beginning in 2014, federal law required individual and small group plans to provide “essential health benefits,” which in Missouri were based on a typical health plan in the small group market in the state. Because Missouri law required all group plans to provide autism and ABA therapy benefits as standard coverage, this requirement was extended to the individual market. As a result, coverage for ASD treatment expanded dramatically in the individual market in 2014 and 2015.

In 2013, a little less than one-third of individual policies provided the mandated coverage. During 2015, coverage expanded to nearly 90 percent of individual policies. Individual plans with grandfathered status under the ACA are not required to provide the coverage. Instead these plans are required under Missouri law to offer the mandated coverage as an optional coverage for an additional premium.

Percent of Member Months With Coverage for Mandated ASD Benefits By Market Segment 2015			
Market Segment	Total Member Months	Member Months of Policies With Autism Coverage	% With Coverage
Individual	3,726,001	3,355,142	90.0%
Small Group	4,214,887	4,214,887	100.0%
Large Group	9,683,091	9,683,091	100.0%
Total	17,623,978	17,253,119	97.9%

Self-Funded Health Benefit Plans

Many employers provide health insurance by “self-insuring,” that is, by paying claims from their own funds. Such plans are governed under the federal Employee Retirement Income Security Act (ERISA), and states have little jurisdiction over private employers that choose to self-fund. Because the DIFP lacks jurisdiction over private self-funded employers, the number of Missourians receiving autism benefits under private self-funded plans is unknown.

The advocacy group Autism Speaks maintains a list of self-funded private employers that have chosen to voluntarily provide coverage of autism and ABA therapy to their employees. Among

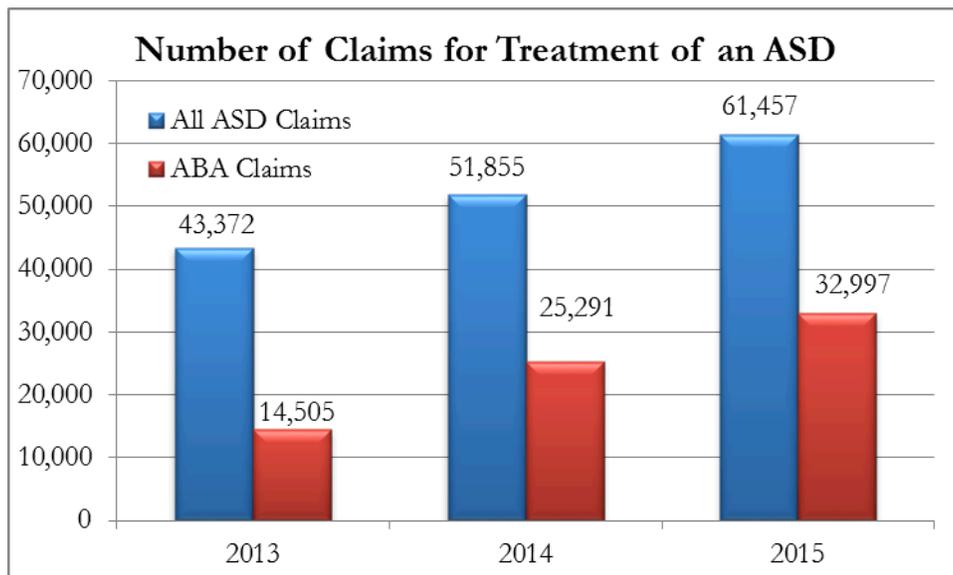
this group are many of the most recognizable “high-tech” companies in the country, including Microsoft, Intel, Adobe, Cisco, IBM, Apple, Yahoo and E-Bay. Other companies providing the coverage are the Mayo Clinic, Abbott Laboratories, Home Depot to Wells Fargo. More recently, JP Morgan Chase & Co, General Motors, Chrysler, United Technologies Corp. and American Express have announced that they will begin offering the coverage. In addition, federal government employees in all or part of 21 states had coverage available for ABA through the Federal Employees Health Benefits Program (FEHBP) in 2015.

The DIFP encourages readers to check with their employer that may be self-insured to determine if coverage for autism treatments, including ABA therapy, is included in their health benefit plan. Autism Speaks created a “Tool Kit” for employees of self-funded plans to approach their employers about adding benefits to their company health plan. The Self-Funded Employer Tool Kit is located at

http://www.autismspeaks.org/sites/default/files/docs/gr/erisa_tool_kit_9.12_0.pdf

Treatment Rates

The number of claims for treatment directly related to an ASD affords a glimpse into the extent of services provided. Claim counts were added to the data collection in 2013, two years after the effective date of the autism mandate. However, even over this three year period, claims have grown dramatically. In 2013, just over 43,000 claims were paid for treatment of an ASD. By 2015, claims submitted for ASD services exceeded 61,000.



Claim Payments

During 2015, comprehensive health plans incurred \$4.1 billion in total claim costs. Only a small fraction of this amount resulted from ASD-related treatments. Claims for all treatments related to an ASD amounted to \$10.3 million, representing just over two-tenths of one percent (0.25%) of total claim costs. Costs incurred for ABA therapies were only 0.12 percent of total claims, or \$5.2 million.

Prior to the passage of the mandate, the DIFP estimated that the proposed legislation would produce claim costs of between 0.2 percent and 0.8 percent of total losses. Amounts incurred thus far are consistent with the lower end of the estimate.

ASD-Related Claim Costs in 2015			
Market Segment	Total Incurred Losses	All ASD-Related Incurred Losses	Losses Incurred, ABA
Individual	\$991,604,825	\$2,551,771	\$1,793,424
Small Group	\$943,310,387	\$1,806,244	\$764,155
Large Group	\$2,215,541,617	\$5,921,692	\$2,617,356
Total	\$4,150,456,829	\$10,279,708	\$5,174,935

ASD Treatment as Percent Of Incurred Losses in 2015		
Market Segment	All ASD-Related Incurred Losses	ABA-Related Incurred Losses
Individual	0.26%	0.18%
Small Group	0.19%	0.08%
Large Group	0.27%	0.12%
Total	0.25%	0.12%

Between 2011 and 2015, claim costs incurred for ASD-related treatments increased from \$4.3 million to \$10.3 million. Most of the increase resulted from expanded access to insurance coverage for ABA therapies.

Incurred Losses from ASD Treatment, 2011-2015					
	Year				
	(Dollar Amount In Millions)				
	2011	2012	2013	2014	2015
All	\$4.3	\$6.6	\$8.3	\$9.8	\$10.3
ABA	\$1.1	\$3.0	\$3.9	\$5.0	\$5.2
%	24.4%	45.4%	46.2%	51.2%	50.5%

Another method of expressing the costs of the mandate is the ratio of ASD-related treatment costs to the total member months during which ASD coverage was in effect. The resulting figure should afford a general indication of how monthly premiums might be expected to increase due to extending coverage for ASD treatment. Across all market segments, the average ASD-related claim cost for each month of autism coverage was \$0.60, and \$0.30 for the costs of ABA therapy.

Claim Costs for ASD Treatment Per Member Per Month for Policies with ASD Coverage in 2015					
Market Segment	Member Months of Policies With Autism Coverage	All Autism Related Claims	ABA Claims	All Autism-Related Claims, PMPM	ABA-Related Claims, PMPM
Individual	3,355,142	\$2,551,771	\$1,793,424	\$0.76	\$0.53
Small Group	4,214,887	\$1,806,244	\$764,155	\$0.43	\$0.18
Large Group	9,683,091	\$5,921,692	\$2,617,356	\$0.61	\$0.27
Total	17,253,119	\$10,279,708	\$5,174,935	\$0.60	\$0.30

For each person receiving any form of treatment directly associated with an ASD, the average monthly claim cost during 2015 was \$320, ranging from \$245 in the small group market to \$470 in the individual market. With respect to the population 18 years of age and younger, the average monthly costs of ABA therapy ranged from \$128 in the small group market to \$309 in the individual market.

It is notable that the average claim cost of ABA therapy is well below the statutory maximum required coverage, set at an initial rate of \$40,000 per year for each covered insured. Average annual ABA costs for those 18 and under equaled \$2,208 (\$184 * 12), or only 5.5 percent of the cap.

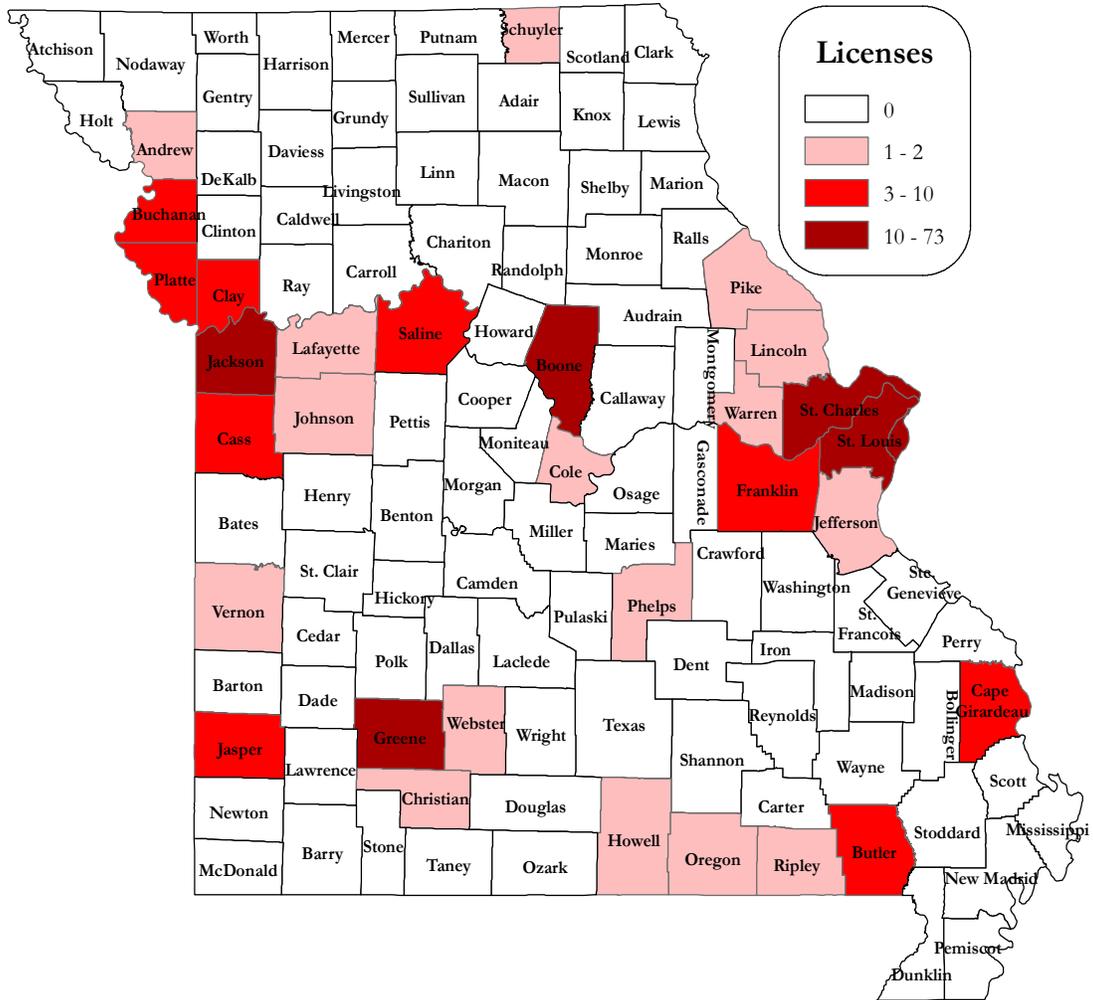
Average Monthly Claim Cost Per Individual Treated for an ASD in 2015				
Market Segment	All Ages		Age 18 and Under	
	All ASD-Related Treatment	ABA	All ASD-Related Treatment	ABA
Individual	\$470	\$330	\$458	\$309
Small Group	\$245	\$104	\$290	\$128
Large Group	\$307	\$136	\$356	\$172
Total	\$320	\$161	\$357	\$184

Licensure

House Bill 1311 requires that each behavior analyst and assistant behavior analyst pass an examination and obtain board certification to be eligible for a license to practice in Missouri. The first licenses were issued in December 2010. By mid-January 2016, licenses had been issued to 338 behavior analysts, of which 279 were still active at the time of writing. In addition, 57 assistant behavior analysis licenses were issued, of which 33 were still active. Assistants must practice under the supervision of a behavior analyst. Licensed psychologists, not included in the table, may also provide ABA therapy.

Applied Behavior Analyst Licensure in Missouri				
Year License Issued	Behavior Analysts		Assistant Behavior Analysts	
	Number Issued	Cumulative Number Issued	Number Issued	Cumulative Number Issued
2010	19	19	0	0
2011	94	113	24	24
2012	49	162	1	25
2013	53	215	14	39
2014	66	281	13	52
2015	56	337	5	57
2016 (through 1-12)	1	338	0	57
Total Issued	338		57	
Number currently active license (as of 1-12-2016)	279		33	

Number of Active Behavior Analysis Licenses, Including Assistant Behavior Analysts As of January 20, 2016



Most counties, particularly in the rural areas of the state, lack a licensed behavior analyst. Of Missouri's 115 counties, 84 have no resident licensed behavior analyst or assistant behavior analysts.

Inquiries and Complaints

The DIFP monitors the number of complaints and inquiries received that are related to the ASD coverage mandate. Since the mandate was enacted in 2010, DIFP staff responded to 375 contacts by consumers with questions about coverage for ASD treatment, or who had a complaint against an insurer. Of the total number of complaints and inquiries received since the enactment of the mandate, 76 involved licensed insurers over which the DIFP has jurisdiction. Most complaints were related to insurer handling of claims, including claim denials, delays and unsatisfactory settlement amounts. Complaints regarding ASD coverage resulted in over \$147,000 in additional payments to consumers.

Consumer Inquiries / Complaints Regarding Autism Mandate 2010 – Present		
Reason	No. of Complaints / Calls	Recoveries
Complaints		
Premium & Rating	1	
Endorsement/Rider	1	
Willing Provider	1	
Unsatisfactory Settlement on Claim	2	
Medical Necessity	3	
Denial of Claim	36	\$125,032
Usual, Customary, Reasonable – Claim Issue	1	
Out of Network Benefits	1	\$4,472
Claim Delays	9	\$12,416
No Preauthorization	1	
Claim Coding/Bundling	1	
Internal Appeal	3	
Rehabilitative / Habilitative Care	7	
Pediatric Care	8	\$5,827
Coverage Question	7	
Abusive Service	1	
Other Issue	13	
Subtotal	96	\$147,747
Other inquiries	279	
Total	375	\$147,747

The DIFP investigates complaints to evaluate an insurance company's compliance with Missouri law and answers consumer questions through formal inquiries. However, the DIFP is unable to determine what medical care is necessary or appropriate.

For disputes over medical necessity or the level of care, Missouri law provides access to an external review process. External review is an additional level of review by an independent medical expert to resolve disputes relating to questions of medical necessity or disputes over the level of care or quantity of therapy visits. More information about the consumer complaint and external review processes can be found at: <http://insurance.mo.gov/consumers/complaints/index.php>.

Enforcement Actions

The DIFP actively monitors companies to ensure compliance with the autism mandate. The efforts of the market conduct section resulted in two significant enforcement actions in 2015.

1. In May 2015, Aetna Life Insurance Company and Aetna Health Insurance Company entered into a record \$4.5 million dollar settlement with the Department for, among other compliance issues, failing to provide coverage for mandated autism benefits. This fine is the largest ever levied in the state in response to a violation of insurance laws. In addition, the Aetna companies are subject to heightened monitoring for a three year period, and if additional violations are found, could be subject to suspension.

Additional information about this enforcement action can be found at the following link.

<http://governor.mo.gov/news/archive/gov-nixon-announces-45-million-settlement-aetna-after-company-failed-provide-required>.

2. In October 2015, the DIFP reached settlement agreements with three additional insurers: Chesapeake Life Insurance Company, the Mega Life and Health Insurance Company (which has since merged), and the Mid-West National Life Insurance Company of Tennessee. These companies were found to have failed to make required offers of autism coverage and to subsequently improperly denied payment of claims for such services. The settlement requires the insurers to conduct a review of their compliance with mandated coverages and to review their claim files since 2011 to identify any claims related to treatment for autism that were improperly denied. The insurers also agreed to notify policyholders that coverage for the treatment of autism is available. Lastly, the settlement resulted in a \$15,000 donation to the Thompson Foundation for Autism and Neurodevelopmental Disorders, housed within the University of Missouri – Columbia.

Additional information can be found at the following link:

http://insurance.mo.gov/news/2015/insurance_companies_pay_First_Steps_Program_and_Thompson_Foundation_for_Autism

A complete list of market conduct enforcement actions can be found here:
<http://insurance.mo.gov/CompanyAgentSearch/CompanySearch/mcexams.php>

Other Developments in Missouri During 2015

In October of 2015, MO HealthNet, Missouri's Medicaid agency, issued a bulletin announcing they would begin enrolling providers for ABA services, and pre-certifying medically necessary ABA services for participants with ASD who are under the age of 21. MO HealthNet is currently continuing to work to further develop this program. The services are currently accessed statewide through the MO HealthNet Fee-for-Service program, and are carved out of MO HealthNet Managed Care. Additional information can be found in the October 19, 2015 provider bulletin (See http://dss.mo.gov/mhd/providers/pdf/bulletin38-15_2015oct20.pdf).

The Health Insurance Market in Missouri

The health insurance market in Missouri is among the most concentrated and least competitive insurance markets in the state. In spite of this fact, health insurance rates are also the least regulated under state law. While products ranging from automobile insurance to pet insurance are subject to rate filing requirements or regulatory review, health insurance rates are not subject to regulatory oversight and are not required to be filed with DIFP. In fact, Missouri is the only state in which health insurance rates are not reviewed by the insurance regulator prior to use.

Three common measures of market competitiveness are displayed in the following table. The HHI, or *Herfindahl-Hirschman Index*, is widely employed by economists to measure overall market concentration. The HHI is calculated as the sum of the squared market share of all market participants. Its value can range from 10,000 in a pure monopoly to 0 in a highly fragmented and competitive market. One common interpretation of the HHI is provided by the Antitrust Division of the United States Department of Justice:

- A. Below 1,000: Unconcentrated or competitive
- B. 1,000 to 1,800: Moderately concentrated
- C. Over 1,800: Highly concentrated

For Missouri, the largest property and casualty insurance lines all have HHIs below or very near the competitive threshold of 1,000. However, all segments of the comprehensive health insurance marketplace significantly exceed the HHI floor for a highly concentrated (and therefore presumptively non-competitive) market. In addition, not all insurers are active in all regions of the

state, such that some regions are even less competitive than is suggested by the statewide HHI values.

The market shares of the largest insurers indicate that health insurance is dominated by just a few carriers. The largest four insurer groups have a combined market share exceeding 90 percent in all three markets. The largest eight writers control nearly 100 percent of all health insurance market segments.

Market Concentration Indices, 2015				
Line of Business	Insurer Groups w > \$100k Premium	HHI	Top 4 Market Share	Top 8 Market Share
Health Insurance				
Individual (including Association)	14	2,554	92.1%	99.7%
Small Group	12	2,660	90.1%	99.5%
Large Group	14	2,386	94.1%	99.7%
P&C Lines				
Private Auto	72	1,044	51.7%	74.2%
Homeowners	50	1,172	57.3%	75.4%
Commercial Auto	96	333	26.9%	42.6%
Work Comp	90	773	45.5%	58.8%
Commercial Multi-Peril	84	416	30.1%	48.4%

Source: Calculated from companies' Financial Annual Statement for 2014.

The comprehensive health insurance market continues to return robust profits, as is indicated in the tables below. For insurers with more than \$100,000 of health insurance premium in MO, the line of insurance earned a net gain of nearly \$2 billion on Missouri business over the five year period of 2010-2014. The same insurers had a net gain of \$25.4 billion from all of the states in which they are active.

Net Gain on Health Insurance for Insurers with Greater Than \$100,000 Health Insurance Premium in MO				
Missouri			US Total	
Year	Premium, Comprehensive Health Ins.	Net Gain	Premium, Comprehensive Health Ins.	Net Gain
2010	\$5,165,252,924	\$439,963,039	\$47,411,007,597	\$5,200,557,519
2011	\$5,170,186,973	\$451,739,098	\$47,906,477,104	\$5,323,373,073
2012	\$5,095,219,813	\$443,732,912	\$46,712,967,151	\$4,837,290,150
2013	\$4,972,039,866	\$405,359,041	\$44,391,027,629	\$4,423,701,864
2014	\$5,157,419,617	\$256,903,512	\$49,690,481,345	\$5,629,397,158
2010-2014	\$25,560,119,193	\$1,997,697,602	\$236,111,960,826	\$25,414,319,764

Source: Financial Annual Statement, Supplemental Health Care Exhibit 2010-2014.

Strong net gains in health insurance, as well as other lines of insurance, made possible significant disbursements of dividends. Companies with over \$100,000 in comprehensive health coverage in Missouri paid out \$35.8 billion in total dividends paid to shareholders over this period.

Dividends, Insurers with Great Than \$100,000 MO Health Insurance Premium	
Year	Total Dividends
2009	\$4,123,142,998
2010	\$7,942,110,896
2011	\$7,674,327,611
2012	\$6,053,219,751
2013	\$5,551,747,420
2014	\$4,493,278,944
Total	\$35,837,827,620

Source: Financial Annual Statements

Medical Loss Ratio Rebates

The Affordable Care Act (ACA) requires insurers to pay out between 80 and 85 percent of premium to cover medical care. Insurers that fail to achieve these minimum loss ratios must return the excess premium to policyholders in the form of rebates. Missouri has benefited more than most states from these provisions of the ACA.

Between 2012 and 2015, Missouri policyholders were refunded over \$108 million in the form of rebates. Expressed as dollars refunded divided by the number of insureds, Missouri rebates

exceed all other states in 2012 and 2014 for the small employer market, and ranked 2nd in 2015. Over all markets, Missouri ranked between second in 2012 and twelfth in 2015.

The following chart highlights the rebates per enrollee for Missouri and how Missouri ranks against other states in terms of the size of rebates given.

Medical Loss Ratio Rebates in Missouri										
		Rebate Per Enrollee				State Rank of Rebate per Enrollee (\$ Rebate / # of Insureds) (High to Low)				
Year	Total Rebate	Ind.	Small Group	Large Group	All Comp. Plans	Ind.	Small Group	Large Group	All Comp. Plans	Rank by Total Rebate Dollar Amount
2012	\$60,664,564	\$64.35	\$11.15	\$7.72	\$44.45	7	1	19	2	6
2013	\$19,186,415	\$11.73	\$33.67	\$6.81	\$14.41	18	4	7	11	7
2014	\$14,609,316	\$14.47	\$34.00	\$0.34	\$11.53	19	1	33	11	4
2015	\$13,598,380	\$1.65	\$50.30	\$0.36	\$11.01	38	2	27	12	11
Total	\$108,058,675									

Source: US Department of Health & Human Services.

Conclusion

The costs associated with the coverage mandate for the treatment of ASDs and ABA therapy has to date been minimal, even as the mandate has led to dramatically expanded coverage and the delivery of medically beneficial services. Applied behavior analysis therapies have been shown to dramatically reduce long-term costs for a significant proportion of individuals diagnosed with an ASD, and to significantly improve their quality of life. The law has achieved its purposes in an unqualified way for every measureable metric.

The DIFP will continue to monitor the marketplace, and provide assistance to consumers with questions or concerns regarding the ASD coverage mandate. More information, and resources to assist insurance consumers, can be found on the department's website at <http://insurance.mo.gov/consumers/autismFAQ/>.

Appendix – Autism Resources

The following links are to resources that may be useful to families, medical providers, or anyone else wishing to learn more about autism.

Autism Speaks works to raise awareness of autism, and their internet page provides a wealth of information about the condition, available services, current research, news, and much more. Their page can be found at <http://www.autismspeaks.org/> They maintain a page for Missouri-specific events at http://communities.autismspeaks.org/site/c.ihLPK1PDLof/b.7512615/k.C037/Missouri_Resources.htm

The **Centers for Disease Control (CDC)**, the nation’s health protection agency, maintains a page devoted to autism at <http://www.cdc.gov/ncbddd/autism/index.html>. The CDC also maintains a helpful list of links to other websites to assist families touched by autism at <http://www.cdc.gov/ncbddd/autism/links.html>.

The **Missouri Autism Coalition** is an alliance of groups and individuals throughout the state that seeks to advance awareness of autism. They can be found at http://www.missouriautismcoalition.com/about_us

Missouri Families for Effective Autism Treatment (MO-FEAT) describes its mission as providing “advocacy, education and support for families of the autism community, and to support early diagnosis and effective treatment.” It is headquartered in St. Louis, and they maintain a web-page at <http://www.mo-feat.org/> MO-FEAT publishes an excellent guide to autism centers and additional medical providers at <http://www.mo-feat.org/Files/2012%20Directory.pdf>.

Missouri funds four autism centers to promote advancements in research and treatment. The **Thompson Center For Autism & Neurodevelopmental Disorders** is affiliated with the University of Missouri and located in Columbia, <http://thompsoncenter.missouri.edu/>. The **Knights of Columbus Developmental Center** is hosted by Cardinal Glennon Hospital in St. Louis, <http://www.cardinalglennon.com/MedicalSpecialties/Developmental%20Pediatrics/Pages/default.aspx>. The **Children’s Mercy Hospital & Clinics Developmental & Behavioral Sciences** is located in Kansas City, <http://www.childrensmercy.org/Autism/>. The fourth center is affiliated with **Southeast Missouri State University** in Cape Girardeau, <http://www.semo.edu/autismcenter/>

Valuable services are available through the **Missouri Department of Mental Health’s** Division of Developmental Disabilities, which serves a diverse population, including those with cerebral palsy, head injuries, certain learning disabilities, as well as autism. To be eligible for services, individuals must be “substantially limited in their ability to function independently.” See their page at <http://dmh.mo.gov/dd/>

The **National Autism Center** describes its mission as “...providing reliable information, promoting best practices, and offering comprehensive resources for families, practitioners, and communities.” See <http://www.nationalautismcenter.org/about/>

Insurance Consumer Hotline

Contact DIFP's Insurance Consumer Hotline
if you have questions about your insurance policy
or to file a complaint against an
insurance company or agent:

difp.mo.gov
800-726-7390

Harry S Truman Building, Room 520
301 W. High St.
PO Box 690
Jefferson City, MO 65102



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