DIFP

Annual Report to the Missouri Legislature

Insurance Coverage for Autism Treatment & Applied Behavior Analysis

Statistics Section
Feb. 1, 2018

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Executive Summary

This is the seventh annual report of the Missouri Department of Insurance, Financial Institutions and Professional Registration (DIFP) 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 ensure these data are accurate and complete. The accuracy of this report, however, depends largely on the accuracy of the data filed by insurers.

Over the seven years since the passage of House Bill 1311, health insurance coverage has expanded significantly, particularly in the individual health market. The data show that the provision of autism-related services continued to expand into 2017, while the costs as a percent of overall health care payments remained negligible. For 2017, the cost of all autism treatments accounted for just 0.28 percent of total claims incurred, slightly up from 0.24 percent in 2016. The cost of ABA therapy accounted for 0.15 percent of total claim payments. These costs are consistent with the projections made by the DIFP prior to the passage of House Bill 1311 (2010).

1. **Coverage.** Coverage for ASD-specific treatment, including ABA therapy, significantly expanded in the individual market in 2014, and that trend continued through 2017. Initially, HB1311 required coverage for autism-specific therapies in the group market, but only required the offer of coverage in the individual market. Subsequent changes in federal law extended coverage for autism treatment in the individual market to all non-grandfathered plans. In 2011, the first year that HB 1311 became effective, a little more than one-third of individual policies covered the mandated autism benefits. By 2017, nearly 94 percent of individual policies provided the coverage for autism. Across all market segments in the most recent reporting period, 98.7% of all insured individuals were covered for treatment associated with autism.

2. **Number of Services.** Slightly over 3,700 individuals diagnosed with an ASD submitted over 85,000 claims, of which 47,808 were ABA sessions. This number is up from 14,505 ABA sessions in 2013 (the first year these data were collected), which represents a 290 percent increase.[1]

3. **Claim payments.** Between 2011 and 2017, claim costs incurred for autism services increased from $4.3 million to nearly $14.6 million, of which $7.7 million was directed to ABA services. These amounts represent just 0.28 percent and 0.15 percent of total claims incurred in

[1]The precise number of individuals seeking an ASD-related treatment is subject to some uncertainty. Data submitted by some insurers in some years appeared to be anomalous. The DIFP is currently subjecting this figure, as well as the overall data, to additional verification procedures. When completed, the DIFP hopes estimates for the number of individuals seeking treatment for an ASD can be reported with greater certainty.

2017, consistent with initial projections produced by the DIFP.[2] For each member month of autism coverage, total autism-related claims amounted to 62 cents, while the cost of ABA therapy amounted to 32 cents.

4. **Average Monthly Cost of Treatment.** For each individual diagnosed with an ASD who received treatment at some point during 2017, the average monthly cost of treatment across all market segments was $341, down slightly from 2016. Of that average monthly cost, ABA therapies accounted for $180. The average, of course, includes individuals that received minimal treatment as well as individuals receiving more extensive treatments, which 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 remain below three-tenths of one percent of overall claim costs means this law continues to have little appreciable impact on insurance premiums.

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

	2011	2012	2013	2014	2015	2016	2017
Amount Paid for all Autism Services (in millions)	$4.3	$6.6	$8.3	$9.8	$10.3	$11.3	$14.6
Amount Paid for ABA	$1.0	$3.0	$8.3	$4.9	$5.0	$6.1	$7.7
All Autism Treatment - Percent of Total Losses	0.10%	0.16%	0.20%	0.21%	0.25%	0.24%	0.28%
Monthly Cost per Individual for Autism Treatment	$143	$222	$255	$278	$357	$369	$341
Cost Per Member Month							
All Autism Treatment	$0.25	$0.38	$0.48	$0.50	$0.60	$0.62	$0.79
ABA Services	$0.06	$0.17	$0.22	$0.26	$0.30	$0.32	$0.42
Number seeking ASD-specific treatment	**Not available for prior years**						3,769
Rate to total insured population							1 in 416

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-funding," that is, employers pay claims from their own funds, often by hiring an insurance company or third party administrator to process the claims. Such plans are governed under the

[2] The DIFP estimated that the mandate would produce additional treatment costs of between 0.2 percent and 0.8 percent of total claims costs, depending largely on treatment rates. The actual treatment rate of 1 in 416 is consistent with assumptions associated with the lower-end of the estimate.

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-funded 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. The DIFP estimates that self-funded plans insure about two-thirds of individuals that obtained insurance in the private market (i.e. excluding public insurance such as Medicare and Medicaid).

7. **Provider Licensure.** The first licenses for applied behavior analysis were issued in Missouri in December 2010. As of mid-January 2018, 491 licenses had been issued, and an additional 77 persons obtained assistant behavior analyst licenses. Of these, 386 behavior analyst licenses are still active, as are 34 assistant behavior analyst licenses.

Introduction

House Bill 1311, enacted in 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 $44,760 for 2018.

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 seventh 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 in total dollars between 2011 and 2017, as a percentage of overall health claims in 2017, ASD-related claims amounted to just under three-tenths of one percent (0.28 percent). 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 0.28 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.[3]

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

[3] For a fuller discussion as well as a review of academic literature on the efficacy of ABA for the treatment of autism, see the department's first report at https://insurance.mo.gov/consumers/autismFAQ/autismreport.php

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.

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 2011-2017 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 between since 2014.

In 2013, a little less than one-third of individual policies provided the mandated coverage.[4] During 2014, coverage expanded to 94 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.

[4] A few insurers in the individual market included autism coverage as a standard benefit, even though they were not legally mandated to do so. For the remainder of the individual market that offered the coverage as an optional benefit for additional premium, only 0.1% of insureds purchased it. See page 7 of DIFP's 2012 Autism Report at http://insurance.mo.gov/consumers/autismFAQ/documents/2012autismreport.pdf.

Percent of Member Months With Coverage for Mandated ASD Benefits By Market Segment 2017			
Market Segment	**Total Member Months**	**Member Months of Policies With Autism Coverage**	**% With Coverage**
Individual	3,638,083	3,403,901	93.6%
Small Group	4,556,494	4,556,494	100.0%
Large Group	10,497,732	10,497,732	100.0%
Total	**18,692,310**	**18,458,128**	**98.7%**

Self-Funded Health Benefit Plans

Many employers provide health insurance by "self-funding" their health plans. Self-funded health plans are arrangements where the employer pays health claims from their own funds, but often contracts with a health insurance company or third party administrator to process claims. 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, and 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, in 2013 the federal government began encouraging plans to provide coverage for ABA services to federal employees. By 2015, 21 states had some coverage available for ABA through the Federal Employees Health Benefits Program (FEHBP). Subsequently, plans participating in the FEHBP were notified that coverage for ABA services would be mandatory for all federal employees beginning in plan year 2017. Regulators cited the "…growing number of providers and research linking behavioral interventions with positive outcomes."[5]

[5] U.S. Office of Personnel Management. February 26, 2016. FEHB Program Carrier Letter to All FEHB Carriers. The letter is available at https://www.opm.gov/healthcare-insurance/healthcare/carriers/2016/2016-03.pdf

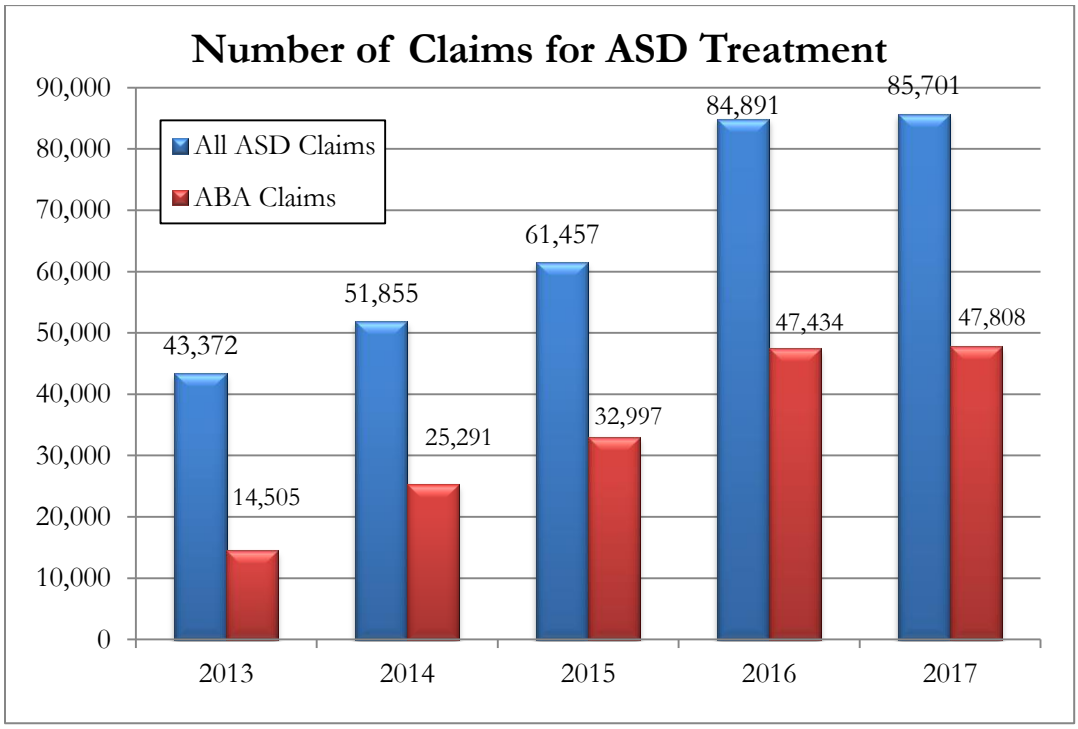
The DIFP encourages readers to check with their employer that may be self-insured to determine if coverage for autism treatments, including ABA therapy, is included in their health benefit plan. Autism Speaks created a "Tool Kit" for employees of self-funded plans to approach their employers about adding 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 treatments directly related to an ASD affords a glimpse into the extent of services provided. The number of encounters were added to the data collection for data-year 2013, two years after the effective date of the autism mandate. In 2013, insurers covered just over 43,000 encounters for treatment of an ASD. By 2017, this number exceeded 85,000, or an average of about 2 encounters per month for each insured diagnosed with an ASD.

Data collected by the DIFP indicated that over 3,700 individuals sought ASD-related services in 2017. However, this number is subject to some uncertainty. Data submitted by some insurers in some data years appeared to be anomalous. The DIFP is currently subjecting this figure, as well as the overall data, to additional verification procedures. When completed, the DIFP hopes estimates for the number of individuals seeking treatment for an ASD can be established with greater certainty.



Claim Payments

During 2017, comprehensive health plans in Missouri incurred $5.3 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 $14.6 million, representing just under three-tenths of one percent (0.28%) of total claim costs. Costs incurred for ABA therapies were only 0.15 percent of total claims, or $7.7 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 remain at the lower end of the estimate that was provided by the DIFP in its analysis of HB 1311 in 2010.

ASD Treatment as Percent Of Incurred Losses in 2017		
Market Segment	**All ASD-Related Incurred Losses**	**ABA-Related Incurred Losses**
Individual	0.19%	0.13%
Small Group	0.26%	0.09%
Large Group	0.32%	0.18%
Total	**0.28%**	**0.15%**

Between 2011 and 2017, claim costs incurred for ASD-related treatments increased from $4.3 million to $14.6 million. Most of the increase resulted from expanded access to ABA therapies, which beginning in 2014 accounted for over half of the dollars spent to deliver ASD-related services.

Incurred Losses from ASD Treatment, 2011-2017							
	Year (Dollar Amount In Millions)						
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
All Autism Costs	$4.3	$6.6	$8.3	$9.8	$10.3	$11.3	$14.6
ABA	$1.1	$3.0	$3.9	$5.0	$5.2	$5.8	$7.7
% ABA	**24.4%**	**45.4%**	**46.2%**	**51.2%**	**50.5%**	**51.6%**	**52.7%**

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 $0.79, and $0.42 for the costs of ABA therapy.

Claim Costs for ASD Treatment Per Member Per Month for Policies with ASD Coverage in 2017					
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	3,403,901	$2,375,725	$1,649,612	$0.70	$0.48
Small Group	4,556,494	$3,182,555	$1,078,306	$0.70	$0.24
Large Group	10,497,732	$9,087,655	$4,990,432	$0.87	$0.48
Total	**18,458,128**	**$14,645,935**	**$7,718,350**	**$0.79**	**$0.42**

ASD-Related Claim Costs in 2017			
Market Segment	**Total Incurred Losses**	**All ASD-Related Incurred Losses**	**Losses Incurred, ABA**
Individual	$1,272,485,180	$2,375,725	$1,649,612
Small Group	$1,201,410,922	$3,182,555	$1,078,306
Large Group	$2,806,014,605	$9,087,655	$4,990,432
Total	**$5,279,910,707**	**$14,645,935**	**$7,718,350**

For each person receiving any form of treatment directly associated with an ASD, the average monthly claim cost during 2017 was $341, ranging from $331 in the small group market to $356 in the individual market. With respect to the population 18 years of age and younger, the

average monthly costs of ABA therapy ranged from $139 in the small group market to $324 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 $2,736 (or $228 * 12), or only 6.1 percent of the 2018 cap (currently at $44,670).

Average Monthly Claim Cost Per Individual Treated for an ASD in 2017				
	All Ages		**Age 18 and Under**	
Market Segment	**All ASD-Related Treatment**	**ABA**	**All ASD-Related Treatment**	**ABA**
Individual	$356	$247	$447	$324
Small Group	$331	$112	$386	$139
Large Group	$341	$187	$415	$243
Total	**$341**	**$180**	**$412**	**$228**

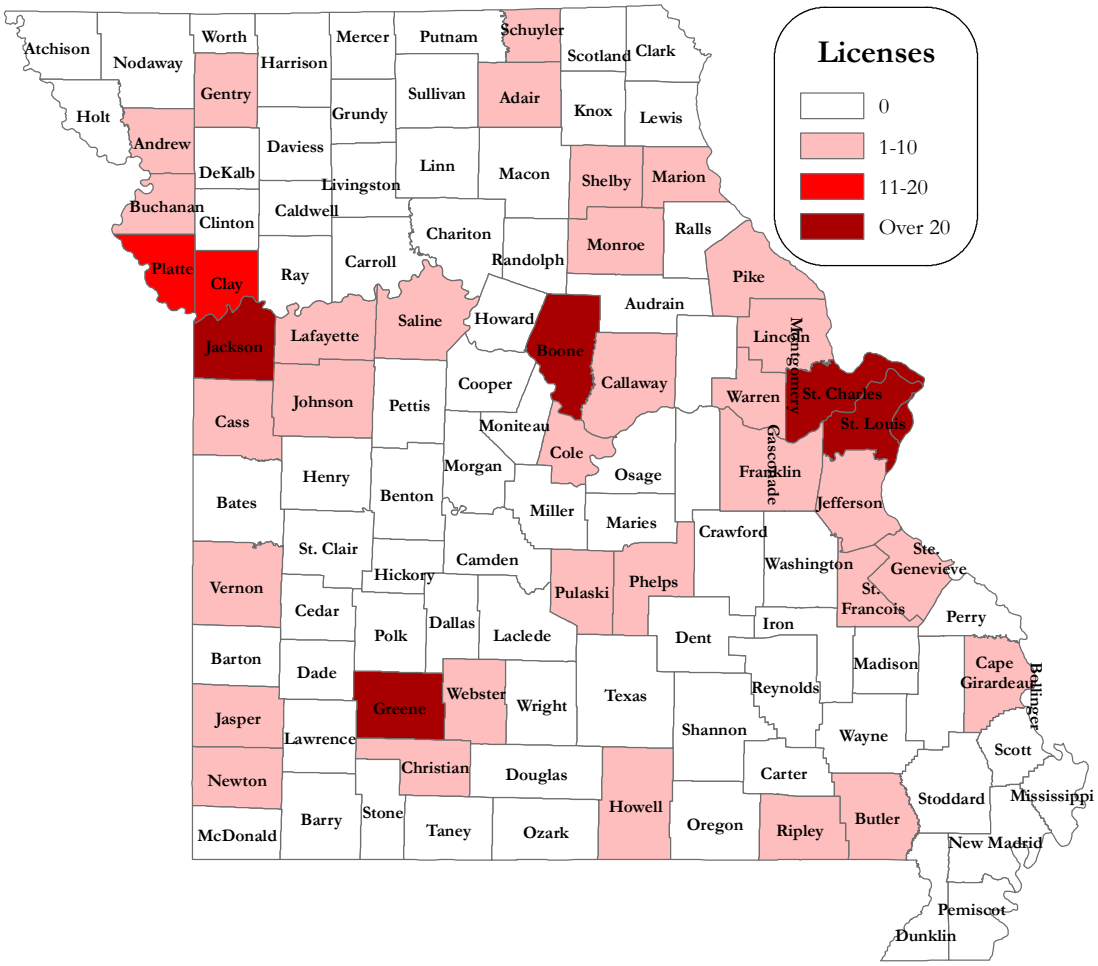
Licensure

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 year-end 2017, licenses had been issued to 491 behavior analysts, of which 386 were still active at the time of writing. In addition, 77 assistant behavior analysis licenses were issued, of which 34 were still active. Assistants must practice under the supervision of a behavior analyst. Licensed psychologists and line therapists,[6] not included in the table, may also provide ABA therapy.

Applied Behavior Analyst Licensure in Missouri				
	Behavior Analysts		Assistant Behavior Analysts	
Year License Issued	**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	58	339	5	57
2016	74	413	9	66
2017	78	491	11	77
Total Issued	**491**		**77**	
Number currently active (as of 1-19-2018)	**386**		**34**	

[6] Line therapists are defined under Section 376.1224 RSMo. Line therapists implement specific behavioral interventions as outlined in a treatment plan under the direct supervision of a licensed behavior analyst.

Number of Active Behavior Analysis Licenses, Including Assistant Behavior Analysts
As of January 19, 2018



For this years' report, five new counties hosted licensees in 2017; those are the counties of Adair, Pulaski, Ste. Genevieve, St. Francois, and Shelby. However, most counties, particularly in the rural areas of the state, lack a licensed behavior analyst. Of Missouri's 115 counties, 75 have no resident licensed behavior analysts or assistant behavior analysts.

Inquiries and Complaints

The DIFP monitors the number of complaints and inquiries received by the department that are related to the ASD coverage mandate. Since the mandate was enacted in 2010, DIFP staff responded to 445 contacts by consumers with questions about coverage for ASD treatment, or who had a complaint against an insurer. Most complaints were related to insurer handling of claims, including claim denials, delays and unsatisfactory settlement amounts. Complaints regarding ASD coverage resulted in $203,594 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	2	
Willing Provider	1	
Unsatisfactory Settlement/Offer	2	
Medical Necessity	3	
Denial of Claim	40	$177,797
Usual, Customary, Reasonable Char	1	
Out-of-Network Benefits	1	$4,472
No Preauthorization	1	
Delays	10	$12,416
State Specific	13	
Claim Recoding/Bundling	1	
Recoupment	1	$849
Internal Appeal	3	
Mental Health Parity	1	$2,233
Rehabilitative/Habilitative Care	7	
Pediatric Care	8	$5,827
Coverage Question	8	
Abusive Service	1	
Subtotal	**105**	**$203,594**
Not a complaint (inquiries, etc)	340	
Total	**445**	**$203,594**

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.

Emerging Health Insurance Issues

There are a number of issues emerging at the state and national level that will undoubtedly impact and shape health insurance coverage, and coverage for autism treatments, over the next several years. The DIFP has identified a few of these within this report and will continue to monitor and advise stakeholders on the impact of these and other trends in upcoming reports.

1. **Rate Review**. Since the inception of this report, the DIFP has only been able to estimate the impact of the autism mandate based on incurred claims. That is because Missouri was the only state insurance department in the country that did not receive health insurance rates from insurance companies. As a part of SB 865/866 which was enacted in the 2016 legislative session, the DIFP began receiving health insurance rates for all health plans beginning for plans issued on or after January 1, 2018. These filings will provide particular insight to the DIFP in terms of the impact of the mandate on health plans.

2. **Cost-Sharing.** The DIFP was recently contacted by autism advocates and advocacy groups regarding concerns about the increasing financial burden on families of insured autistic individuals. The advocates expressed concerns that despite the success of the mandate, families were struggling because of significant financial obligations imposed through increasing cost-sharing provisions in health plans. They expressed concern that the increasing cost sharing obligations are beginning to seriously erode the success realized in the law's original passage.

The Easter Seals Midwest shared a survey they conducted with 127 Missouri families in October of 2016, regarding out-of-pocket costs for medically required treatment for autism. In the survey, 57% of those responding said they have to limit or deny their child's treatment because of the out-of-pocket expenses. Some respondents noted that they had co-payments as high as $125 per treatment and yearly deductibles as high as $6,850. The respondents indicated that treatments were not specific to applied behavioral analysis (ABA), but also included speech and occupational therapy. Some respondents indicated that due to the financial burdens on the family, they were seeking assistance from the Children's Miracle Network and itinerant services through their school district to supplement their health insurance coverage.

For this year's report, the DIFP requested cost-sharing data from each reporting entity. The table below contains the range of responses across insurers. For example, in the individual market, the lowest co-pay offered by any company was $0. The highest co-pay offered by any company was $20. Clearly, there is a significant range in copays across companies, ranging from $0 (individual market, minimum offered) to $700 (large group, maximum copay available). However, for most insureds, total out-of-pocked costs were modest. The most common cost-sharing amount across companies (the mode) ranged from $0 to $50 per session.

Co-Pays and Total Cost Sharing Amounts for Autism Therapies Ranges Across Companies				
	Co-pay		**Total Cost Share***	
	Min. offered	**Max offered**	**Average**	**Mode**
Individual	$0-$20	$40-$250	$6-$88	$0-$30
Small Employer	$0-$60	$40-300	$4 - $71	$0-$50
Large Employer	$0-$40	$15-$700	$13-$159	$0-$50

**Includes co-pays, deductibles and coinsurance*

Consumers should carefully weigh the costs and benefits of different benefit designs, and consider the trade-off between lower premiums and higher out-of-pocket costs.

Market Uncertainty. Recently, state insurance regulators have expressed concern about the future of state health insurance markets in the face of uncertainty regarding possible reforms of the ACA. On January 24, 2017, the National Association of Insurance Commissioners (NAIC penned a letter urging members of Congress to "…seek the input of state insurance regulators and the NAIC" as a part of any effort to reform current federal law. Of particular concern was that reforms could upend the long-stand system of state-based regulation and the wide variety of consumer protections developed and maintained by the states. More to the point of this report, such reforms could reverse the gains made in autism coverage in Missouri, particularly in the individual market. This report will only focus on two specific issues which will directly impact the autism insurance mandate.

- **Essential health benefits.** Since 2014, this report has documented on the rapid expansion of autism coverage into the individual health insurance market. Initially, Missouri law did not extend the autism mandate to the individual market. Instead, Missourians were given the option to purchase such coverage in the individual market for an additional premium. Because take-up rates of autism coverage were quite low and the market for such coverage was subject to "adverse selection,"[7] the coverage was often

[7] Adverse selection refers to insurance markets that attract disproportionately high risk individuals. With respect to the autism mandate in the individual market, there was nearly perfect adverse selection since only those with a covered

unaffordable. The DIFP is aware that premiums for these autism riders offered in the individual market could exceed $1,000 per month. Beginning in 2014, provisions of the Affordable Care Act required that non-grandfathered health plans provide "essential health benefits," ten broad categories of health services, as outlined in the state's benchmark plan. In Missouri the benchmark plan includes the autism mandate. This has resulted in autism coverage expanding into the non-grandfathered individual health insurance market. Changes to the Essential Health Benefit provision of the Affordable Care Act may impact autism coverage in the individual insurance market and the rate of insurance coverage in future years.

- **Selling across state lines.** One of the concepts currently being discussed at the national level is to allow the sale of health insurance across state lines as a means of enhancing competition in health insurance markets. The National Association of Insurance Commissioners (NAIC) has expressed concern, noting any pre-emption of state regulatory authority may lead to the erosion of important consumer protections. [8] State insurance regulators ensure insurance companies are solvent and able to pay claims, treat policyholders fairly, and administer policies in good faith and in compliance with Missouri law. Other important protections include providing consumers the right to appeal a health insurance company's denial of a treatment. Finally, state insurance departments enforce coverage mandates enacted by state legislatures, like Missouri's autism mandate.

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. Three common measures of market competitiveness are displayed in the following table. The *Herfindahl-Hirschman Index (HHI)* 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:

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individual with an ASD had any incentive to purchase the optional coverage. As a result, the cost of such coverage was significantly higher than if the risk had been shared across the entire individual market, as is the case currently.

[8] National Association of Insurance Commissioners Letter dated January 24, 2017. "NAIC Stresses Flexibility as Congress Considers Healthcare Reform".
http://naic.org/documents/naic_stresses_flexibility_as_congress_considers_healthcare_reform.pdf

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 of 89 percent or more in all three markets. The largest eight writers control nearly 100 percent of all health insurance market segments.

Market Concentration Indices, 2016

Line of Business	Insurer Groups w > $100k Premium	HHI	Top 4 Market Share	Top 8 Market Share
Health Insurance				
Individual (including Association)	10	2,145	89.4%	99.9%
Small Group	8	2,474	89.5%	100%
Large Group	10	2,442	93.6%	99.9%
P&C Lines				
Private Auto	67	1,065	52.8%	74.3%
Homeowners	52	1,176	58.1%	76.2%
Commercial Auto	90	355	29.1%	48.3%
Work Comp	85	837	44.8%	59.7%
Commercial Multi-Peril	79	412	29.8%	48.3%

Source: Calculated from companies' Financial Annual Statement for reporting year 2017 (2016 data year).

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 health insurers earned a net gain of over $2.6 billion on Missouri business over the six year period of 2010-2016. The same insurers had a net gain of $35.9 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	$5,165,788,548	$439,795,394	$47,411,007,597	$5,200,557,519
2011	$5,170,557,530	$451,739,098	$47,906,477,104	$5,323,373,073
2012	$5,095,901,556	$443,732,912	$46,712,967,151	$4,837,290,150
2013	$4,972,635,290	$405,359,041	$44,391,027,929	$4,423,701,864
2014	$5,157,419,617	$256,903,512	$49,690,481,345	$5,629,397,158
2015	$5,480,817,538	$203,202,421	$51,695,490,919	$4,288,405,069
2016	$5,857,372,642	$403,478,015	$54,310,506,805	$6,240,872,204
2010-2016		**$2,604,110,393**		**$35,943,597,037**

Source: Financial Annual Statement, Supplemental Health Care Exhibit 2010-2015.

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 $41.8 billion in total dividends paid to shareholders over this period.

Dividends, Insurers with Greater 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
2015	$6,016,500,000
2016	$6,855,200,000
Total	**$41,854,327,620**

Source: Calculated from Insurers' 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 (depending on market segment). 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 2017, Missouri policyholders were refunded over $142 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 3rd in both 2016 and 2017. Over all markets, Missouri ranked as high as second in 2012 and as low as 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 Rebate in Missouri						
		State Rank of Rebate per Enrollee ($ Rebate / # of Insureds) (High to Low)				
Year	Total Rebate	Ind.	Small Group	Large Group	All Comp. Plans	Rank by Total Rebate Dollar Amount
2012	$60,664,564	7	1	19	2	6
2013	$19,186,415	18	4	7	11	7
2014	$14,609,316	19	1	33	11	4
2015	$13,598,380	38	2	27	12	11
2016	$20,912,407	9	3	21	8	6
2017	$13,767,411	18	3	31	10	10
Total	**$142,738,493**					

Source: US Department of Health & Human Services MLR data; ranks calculated by DIFP.

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. **All links were tested on 1/22/2018.**

Missouri Department of Insurance, Financial Institutions and Professional Registration has a variety of Autism-related resources on its website: http://insurance.mo.gov/consumers/autismFAQ/. To file a complaint, consumers can access a form on the website, or call **800-726-7390**.

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.

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/Directory%20for%20Web.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

DIFP
Department of Insurance,
Financial Institutions &
Professional Registration

FEBRUARY 2018