

BILL SUMMARY
1st Session of the 52nd Legislature

Bill No.:	HB 1312
Version:	Introduced (6507)
Author:	Representative Brown
Date:	February 1, 2009
Impact:	Potential Dependent Health Ins.
	Annual Cost Increase of \$160 – 355

Bill Summary

Research Analyst: Arnella Karges

House Bill 1312 creates a new law to be known as Nick's Law, requiring any health benefit plan to provide insurance coverage for the treatment of an autism spectrum disorder. The bill establishes that the required coverage will not be subject to limits that are less favorable than limits that apply to general physical illnesses covered under the health plan.

The bill requires that an insurer must provide coverage for all therapies, treatments, and medicines prescribed by a licensed physician to any eligible person under 21, including coverage for behavioral therapy. Coverage for behavioral therapy is limited to \$50,000 a year, for three years unless the child is gaining skills according to reports submitted bi-annually by the physician or licensed behavioral practitioner. The bill prohibits insurers from denying coverage based on a diagnosis of an autism spectrum disorder.

Fiscal Summary

Fiscal Analyst: John McPhetridge

HB 1312, as introduced, creates Nick's Law, which defines "autism disorder" and mandates its coverage by individual and group health insurance policies including the State and Education Employees Group Health Insurance Plan offered by OSEEGIB. The Act includes a \$50,000 annual cap on behavioral therapy coverage.

Fiscal Analysis

The Legislative Actuary has examined Nick's Law and released a report estimating the *Gross Annual Premium Increase per dependent* child covered under the Act would be within a range of \$160.08 – 355.73, depending on the actual amount of behavioral services utilized under the Act.

The range reflects Avg. Annual Claim Cost of \$18,000 to \$40,000 per covered autistic child. The legislative Actuary assumed a 1-150 autism prevalence rate, as cited by the CDC, the cost of the mandate would be spread over the dependent coverage insurance base and that 68% of the under 22 population in Oklahoma would not be subject to the provisions of the Act due to lack of insurance or due to federal limitations on state insurance mandates such as ERISA.

Long Term Fiscal Considerations

Early intervention could create long term savings with regard to human services costs associated with the state's autistic population; however, increased insurance premium costs could further limit access to affordable health insurance in a state which currently ranks 44th among the States in health insurance coverage as a percentage of total population.

Fiscal Analysis Reviewed By:

Janice Buchanan

House Fiscal Director