

BILL SUMMARY
2nd Session of the 55th Legislature

Bill No.: HB 2962
Version: CS
Request Number: 9379
Author: Rep. Nelson
Date: 3/8/2016
Impact: OMES: estimated \$3.6 million cost FY-17;
Health Care Authority: no fiscal impact
Public impact through private insurers:
<\$1.00 per member per month

Research Analysis

HB 2962, as introduced, requires coverage for autism by all new private health benefit plans and the Oklahoma Employees Health Insurance plan. Coverage would be provided up to age 9, or if the individual is diagnosed or treated at the age of 3 or later, for at least six years. Treatment would continue to be covered as long as the individual continually improves. The yearly maximum benefit allowed is \$25,000.

Prepared By: Sean Webster

Fiscal Analysis

The CS on HB 2962 lowers the cost limit for coverage per year from \$36,000 to \$25,000. This will not affect the introduced fiscal impact calculated by Aon Hewitt for OMES. The \$3.6 million used the average annual cost of \$20,000 in their estimated impact calculation.

Aon Hewitt Calculation

Assumptions per fiscal note 1 in 68 Children have autism	1.47%		
25% utilize ABA	0.37%		
Average annual cost of ABA is \$20,000			
Cost of non ABA coverage is .25%			
Cost of ABA coverage as percentage of all claims .35%			
Total percentage of all claims is .25% + .35% = .6%			
.6% of claims - \$3.6 million			
		Non ABA 0.25%	ABA 0.35%
Estimated Autism Claims Aon Hewitt	3,600,000	1,500,000	2,100,000
	0.60%		
Total Healthchoice Claims	600,000,000		

The Health Care Authority finds no fiscal impact considerations in the CS of the bill.

Cost through private insurers: according to data provided by other states that have passed this legislation in the past, the first year cost increase per member per month varied between \$0.09 and \$0.30 and the second year varied between \$0.10 and \$0.43 per member per month (See Autism Speaks informational charts below).

Table 1. Year One Costs

	Year of coverage	Number of Covered Lives	Total Claims	PMPM cost
South Carolina	1	371,384	\$856,369	\$0.19
Illinois	1	171,979	\$187,684	\$0.09
Florida	1	382,083	\$390,724	\$0.09
Arizona	1	130,000	\$473,818	\$0.30
Kentucky	1	240,000	\$278,922	\$0.10
	Average first year cost			\$0.15

Table 2. Year Two Costs

	Year of coverage	Number of Covered Lives	Total Claims	PMPM cost
South Carolina	2	397,757	\$2,042,394	\$0.43
Illinois	2	170,790	\$197,290	\$0.10
Louisiana	2	149,477	\$722,828	\$0.40
Florida	2	386,203	\$1,748,849	\$0.38
Arizona	2	130,000	\$388,662	\$0.25
	Average second year cost			\$0.31

Table 3. Projected versus Actual Costs

	Year of coverage	Total Claims	Fiscal Note from State Legislature	Difference in projected versus actual cost
South Carolina	1	\$856,369	\$10,590,000	1,237%
	2	\$2,042,394	\$10,590,000	519%
Louisiana	2	\$722,828	\$2,118,307	293%
	2	\$722,828	\$2,686,796	372%
Arizona	1	\$473,818	\$2,500,000	528%
	1	\$473,818	\$4,900,000	1,034%
	2	\$388,662	\$2,500,000	643%
	2	\$388,662	\$4,900,000	1,261%

The precise fiscal impact is difficult to estimate, given the unknown amount of persons who will take advantage of these benefits. As you can see above, estimated fiscal impacts can differ greatly from actual claim numbers.

Prepared By: Kristina King

Other Considerations

None.

