



MEMORANDUM IN OPPOSITION

FOR IMMEDIATE RELEASE: APRIL 8, 2011

Re: S.4005 (Fuschillo)/A.6305 (Morelle) – An act to amend the insurance law, in relation to coverage for the screening, diagnosis and treatment of autism spectrum disorders.

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The New York Health Plan Association (HPA) opposes S.4005/A.6305, which requires health plans to provide broad coverage of diagnosis and treatment of autism spectrum disorder. This wide-reaching proposal will significantly drive up the cost of health coverage for individuals and employers in New York.

Autism advocates and supporters of this proposal claim that in other states the cost of a coverage mandate is less than 1% of premium. However, in those states the autism mandate has either an age cap (21 years of age or lower), a maximum financial limit (annual or lifetime cap) or both. During a 2009 Senate hearing on autism, the State Department of Insurance estimated an autism mandate without an age or dollar cap would add an estimated two percent (2%) to premiums. That will mean an increase of hundreds of dollars to the average family premium and tens of thousands to the costs employers pay for coverage for their employees. For some New York families and employers, it could be the added costs that finally price them out of coverage all together.

Also related to the issue of costs is the increase in costs this bill will place on New York State as a premium payer. Application of this broad mandate for state and local employees enrolled in the New York State Health Insurance Program as well as the beneficiaries of Medicaid, Child Health Plus and Family Health Plus will result in a significant increase in the costs of these programs. The veto message issued last year for a similar but narrower mandate estimated the increased costs collectively to the state and localities would be “at least \$70 million annually.” The legislation does not appropriate funds for these increased services and, in fact, the recently approved 2011-2012 State Budget actually cuts total Medicaid spending.

While driving up costs for New Yorkers and the state itself is problematic on its own, equally or even more troubling is that this bill represents an empty promise to many people with health insurance who will never benefit from the proposed coverage. That’s because this and all state-imposed mandates only apply to state-regulated insurance products, which has been estimated by some experts as less than half of New York’s insured population. Similarly, the promised benefits will not reach the nearly three million uninsured New Yorkers. But imposing the mandate for some will increase costs for all, which means those uninsured who already cannot afford coverage will find it placed further out of reach.

This bill also sets a bad precedent by using scarce health care dollars for educational services. The legislation mandates health plan payments for services that are already provided in other — and arguably more appropriate — settings. The American Academy of Pediatrics (AAP) recommends “educational interventions” for severely autistic children, including behavioral and habilitative strategies to address communication, social skills, daily living skills and academic achievement. Premium dollars should be used exclusively for medical care and treatment not educational services.

At a time when many New Yorkers are struggling to afford the health insurance coverage they have, this legislation is unaffordable and ill advised. HPA urges you to oppose S.4005/A.6305 and focus instead on solutions that will make insurance more affordable and more available to more New Yorkers.

The New York Health Plan Association represents 25 managed care health plans that provide comprehensive health care services to nearly 7 million New Yorkers.