

## **Briefing on Michigan's Proposed Autism Legislation – August 2011**

### **Background:**

- Over their lifespan, the average societal cost of caring for **1** person with autism is **\$3.7 million**. (*Harvard School of Public Health, 2006*)
- Today, 1 in 110 individuals (one in 70 boys) are diagnosed with autism, making it more common than pediatric cancer and diabetes combined.
- **Autism** is a [severe developmental disorder](#) characterized by severe impairment of [social interaction](#) and [communication](#), and by [restricted/repetitive behavior](#).
- **Autism should be diagnosed by a licensed physician or licensed psychologist using standard assessment tools and protocols.** Must meet criteria outlined in the *Diagnostic and Statistical Manual of Mental Disorders - Fourth Edition (DSM-IV)* (American Psychiatric Association). This is the main diagnostic criteria used by mental health professionals and insurance companies.
- Research has shown that the earlier the treatments, the greater the lifetime impact to the child. If autism is not treated, in many cases the child will likely require full time care for the rest of his or her life. The cost for non treatment is incurred by Michigan companies (disabled children usually get lifetime medical insurance), families and the State of Michigan.
- Healthcare plans in Michigan systematically exclude many of the prescribed, medically proven treatments for autism.
- Autism is a medical condition and should be treated by trained and credentialed therapists. Schools can't and shouldn't provide medical treatment and don't have certified behavior therapists on staff.

### **Michigan's Economic Reform – Not Acting is the High Cost Option**

- Michigan's current lifetime cost for the 15,000 children with autism is \$58 billion. Early assessment and treatment reduces lifetime cost from **\$3.7 million to \$1.6 million per person**. (Approximately 7,000 children times average lifetime savings of \$2 million per person.)
- This legislation will generate \$14 billion in savings; \$28 billion if ERISA plans follow. DTE Energy has self-adopted coverage. Only half of the children are in state-legislated plans. In states that have passed legislation, self-funded plans follow and self-adopt coverage.

- Independent actuarial and economic studies show adding coverage would increase insurance policy costs less than 1% and only 1/10th of 1% in early years due to lack of therapists in the state. Initial costs are estimated at \$0.55 per person per month or \$6.60 a year. The insurance industry's own studies support the 1% estimate.
- Schools will save over \$200,000 per child with autism over their school life. This equates to a potential \$3 billion in savings.

### **Update of Coverage**

- It wasn't long ago that the medical community believed autism was untreatable. Today, research has proven otherwise. The current practice with autism dramatically increases the costs of care to society.

### **Treatments**

- Children with autism are commonly prescribed speech, behavior and occupational therapies – all research/evidenced based.
- Research shows interventions drive measurable results. Almost half of the children recover typical function and an additional 40% make significant improvement.
- These treatments are recognized as effective by the American Academy of Pediatrics and the U.S. Surgeon General.
- Nearly every insurer in Michigan excludes coverage for the treatments for children with autism. Because of exclusions, over 80% of the children don't receive the therapies they need.
- Even if you can pay, services don't exist in Michigan resulting in no treatment and causing families to move out of state. Additionally, Michigan's college graduates trained in autism therapy also leave Michigan to find work in states that have coverage.

### **Burden on Families and Reasons for Businesses to Support Reform**

- Since insurance is not available, families incur significant financial burdens to private pay for services. Autism-related bankruptcy is common.
- In addition to the crushing financial burden, the time, energy and stress of parenting children with autism can impact employment, health and marriage. Divorce rates for parents of children with autism are very high.
- If you have an employee with a child with autism, chances are they are working reduced hours, divorced and have stress related medical conditions.

## **Other States**

- 27 states have enacted insurance reform and 16 have reform pending.

## **Summary of Proposed Legislation**

- The legislation is narrow in scope.
- Only licensed physicians and psychologists can provide diagnosis (not teachers, social workers, etc).
- Limits treatments to evidenced-based therapies and provides for behavior, speech, occupational and physical therapies.
- Behavior Therapy has to be provided by or supervised by a board certified behavior therapist.
- Provides for checks and balances including reviews by insurers and managed care cost-containment practices.

## **The Time is Right for Michigan**

- The medical, family, societal and business case has been made.
- We request your support in moving this legislation to the Governor for signature in September 2011.

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