

ALASKA STATE LEGISLATURE
HOUSE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

January 28, 2010

3:50 p.m.

MEMBERS PRESENT

Representative Bob Herron, Co-Chair
Representative Wes Keller, Co-Chair
Representative Tammie Wilson, Vice Chair
Representative Bob Lynn
Representative Paul Seaton
Representative Sharon Cissna
Representative Lindsey Holmes

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 110

"An Act relating to the practice and licensing of psychologists."

- MOVED CSHB 110(HSS) OUT OF COMMITTEE

HOUSE BILL NO. 187

"An Act requiring insurance coverage for autism spectrum disorders, describing the method for establishing a treatment plan for those disorders, and defining the treatment required for those disorders; and providing for an effective date."

- HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 110

SHORT TITLE: PSYCHOLOGISTS' LICENSING & PRACTICE

SPONSOR(S): REPRESENTATIVE(S) HERRON

02/04/09	(H)	READ THE FIRST TIME - REFERRALS
02/04/09	(H)	HSS, L&C
03/19/09	(H)	HSS AT 3:00 PM CAPITOL 106
03/19/09	(H)	Heard & Held
03/19/09	(H)	MINUTE(HSS)
01/28/10	(H)	HSS AT 3:00 PM CAPITOL 106

BILL: HB 187

SHORT TITLE: INS. COVERAGE: AUTISM SPECTRUM DISORDER

SPONSOR(S): REPRESENTATIVE(S) PETERSEN

03/12/09	(H)	READ THE FIRST TIME - REFERRALS
03/12/09	(H)	HSS, L&C
03/24/09	(H)	HSS AT 3:00 PM CAPITOL 106
03/24/09	(H)	Heard & Held
03/24/09	(H)	MINUTE(HSS)
01/28/10	(H)	HSS AT 3:00 PM CAPITOL 106

WITNESS REGISTER

LIZ CLEMENT, Staff
to Representative Bob Herron
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 110 on behalf of Representative Bob Herron, the prime sponsor of the bill.

DR LORIN BRADBURY, Chair
State Board of Psychologists and Psychological Associate
Examiners
Bethel, Alaska

POSITION STATEMENT: Testified in support of HB 110.

REPRESENTATIVE PETE PETERSEN
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As the prime sponsor, explained the proposed committee substitute to HB 187.

GWENDOLYN LEE
Eagle River, Alaska

POSITION STATEMENT: Testified in support of HB 187.

KATHLEEN FITZGERALD, Chair
Developmental Disabilities (DD) Committee
Autism Ad Hoc Committee
Governor's Council on Disabilities & Special Education
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 187.

TANJA UPDIKE
Governor's Council on Disabilities & Special Education
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 187.

MILLIE RYAN, Executive Director
Governor's Council on Disabilities & Special Education
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 187.

JENNIFER CARD
Licensed Clinical Social Worker
Chugiak, Alaska

POSITION STATEMENT: Answered questions during testimony on HB 187.

LORRI UNUMB, Attorney and Senior Policy Advisor
Autism Speaks
Former Law Professor
George Washington University Law School
Lexington, South Carolina

POSITION STATEMENT: Presented a PowerPoint, answered questions about autism, and testified in support of HB 187.

JAMES BOUDER, COO
The Vista School and The Vista Foundation
Hershey, Pennsylvania

POSITION STATEMENT: Answered questions and testified in support of HB 187.

ACTION NARRATIVE

[3:50:13 PM](#)

CO-CHAIR WES KELLER called the House Health and Social Services Standing Committee meeting back to order at 3:50 p.m. Representatives Keller, Herron, Cissna, Seaton, and Wilson were present at the call to order. Representatives Lynn and Holmes had arrived as the meeting was in progress. [Due to technical difficulties resulting from a power outage, the earlier call to order was not recorded.]

HB 110-PSYCHOLOGISTS' LICENSING & PRACTICE

[3:50:42 PM](#)

CO-CHAIR KELLER announced that the first order of business would be HOUSE BILL NO. 110 "An Act relating to the practice and licensing of psychologists." [Before the committee, adopted as

a working document earlier in the meeting prior to a power outage which interrupted the recording of the committee meeting, was the proposed committee substitute (CS) for HB 110, Version 26-LS0474\R, Bullard, 11/3/09.]

LIZ CLEMENT, Staff to Representative Bob Herron, Alaska State Legislature, stated on behalf of Representative Herron, prime sponsor of HB 110, that as the qualifying exam by the State Board of Psychologist and Psychological Associate Examiners was now offered quarterly, allowing for a more efficient licensure system, the Board no longer saw a need to have the applicants wait the full six months to re-take the exam. She pointed out that the bill also clarified the licensure exemptions, and she shared that HB 110 would not impact either school psychologists working within school districts or U.S. government employees practicing psychology "while in the discharge of their official duties." She identified that HB 110 would only affect those people who represented themselves as psychologists. She announced that there was no significant cost to the state, and that it was supported by State Board of Psychologist and Psychological Associate Examiners, and the Alaska Psychological Association.

[3:52:28 PM](#)

REPRESENTATIVE T. WILSON asked who requested for HB 110 to be introduced.

[3:52:54 PM](#)

MS. CLEMENT responded that Dr. Lorin Bradbury, a psychologist from Bethel, had requested the bill.

[3:53:03 PM](#)

REPRESENTATIVE T. WILSON asked if a large number of people had not passed the exam, and been forced to wait for six months under the current statute.

MS. CLEMENT referred the question to Dr. Bradbury.

[3:53:25 PM](#)

CO-CHAIR KELLER opened public testimony.

[3:53:59 PM](#)

DR LORIN BRADBURY, Chair, State Board of Psychologists and Psychological Associate Examiners, shared that HB 110 would expedite the opportunity to re-take the exam. He affirmed that the bill clarified who needed to be licensed, and addressed the concerns of the State Board.

[3:55:25 PM](#)

CO-CHAIR KELLER closed public testimony.

[3:55:45 PM](#)

REPRESENTATIVE SEATON offered his appreciation for the legal opinion to his question of impact.

[3:56:26 PM](#)

REPRESENTATIVE HOLMES said that she no longer had concerns for the bill.

[3:57:27 PM](#)

REPRESENTATIVE T. WILSON moved to report CSHB 110, Version 26-LS0474\R, Bullard, 11/3/09 out of committee with individual recommendations and the accompanying zero fiscal note.

[3:58:08 PM](#)

There being no objection, CSHB 110 (HSS) was reported from the House Health and Social Services Standing Committee.

HB 187-INS. COVERAGE: AUTISM SPECTRUM DISORDER

[3:58:18 PM](#)

CO-CHAIR KELLER announced that the final order of business would be HOUSE BILL NO. 187 "An Act requiring insurance coverage for autism spectrum disorders, describing the method for establishing a treatment plan for those disorders, and defining the treatment required for those disorders; and providing for an effective date."

[3:59:16 PM](#)

CO-CHAIR KELLER reflected on testimony that Applied Behavior Analysis (ABA) was working well, and had resulted in a financial

savings. He commented that the fiscal impact on the insurance companies needed to be scrutinized.

[4:00:47 PM](#)

CO-CHAIR KELLER re-opened public testimony.

[4:01:13 PM](#)

CO-CHAIR HERRON moved to adopt the proposed committee substitute (CS) for HB 187, Version 26-LS0641\P, Bailey, 1/27/10, as the working document.

[4:01:31 PM](#)

REPRESENTATIVE SEATON objected in order to hear the differences from the original bill.

[4:01:45 PM](#)

REPRESENTATIVE PETE PETERSEN, Alaska State Legislature, summarized the changes in Version P, which included a clarification that "medically necessary" was applied to the entire bill, the definition of "autism service provider" was provided to be more specific, and the effective date and the date for inflation adjustment were amended.

REPRESENTATIVE SEATON removed his objection.

[Version P was adopted as the working document.]

[4:03:55 PM](#)

REPRESENTATIVE SEATON asked if insurance coverage could be limited to a specific amount for a particular disorder.

[4:04:51 PM](#)

REPRESENTATIVE PETERSEN, in response, said that he would refer that question to Linda Hall.

[4:05:14 PM](#)

REPRESENTATIVE SEATON opined that an answer was necessary in order to move forward with this plan.

[4:06:08 PM](#)

CO-CHAIR KELLER referenced the pie chart, "Health Coverage of Alaska Population," [Included in the committee packets.] and pointed out that HB 187 would only mandate coverage for private insurance, which covered 23 percent of Alaskans, and included 48,000 children. He directed attention to an earlier testimony from Mr. Jim Boudier, whose cost estimate was based on the prevalence of autism spectrum disorder, and he noted a disparity between these estimates and the projected cost in Alaska.

4:08:07 PM

REPRESENTATIVE PETERSEN replied that the cost depended on the number of parents seeking treatment for their children. He observed that rural Alaskans had limited easy access to medical services. He shared that the Providence Alaska Medical Center autism diagnostic network provided 20 hours of diagnosis for each child patient and the network evaluated 6 children each week. He informed the committee that this only resulted in a two month backlog for the individual treatment plans, compared to a six to eight month backlog in Seattle. He opined that this backlog could diminish with passage of HB 187, as typically more providers worked in an area where insurance coverage existed.

4:11:29 PM

CO-CHAIR KELLER asked about the projected cost of \$3.60 per member policy in Alaska. He recalled that Mr. Boudier had estimated a premium cost of \$2.24 when there was an autism prevalence of 1:400, and \$5.81 with a prevalence of 1:250. He asked the sponsor about the projected prevalence of 1:100, and how that reconciled with the projected premium cost of \$3.60.

4:12:58 PM

REPRESENTATIVE PETERSEN referred to estimates from the Center for Disease Control (CDC) that 1:100 children would be diagnosed with some form of autism. He reported the \$3.60 calculation to be a mid-range estimate, which was supported by an actuary from the Division of Insurance. He shared that the prevalence range had been raised, so that it might be necessary to revise the cost calculation. He opined that it would depend on the number of families seeking treatment, and, in response to a question, he said that few families sought treatment out of state. He commented that those were often severe autism cases which required a specialist not available in Alaska.

4:14:29 PM

CO-CHAIR KELLER declared that, although emotionally difficult, it was a necessary responsibility to review the cost. He pointed out that the cost projections were based on an existing adequate provider network, and that this network did not exist in Alaska. He asked the sponsor for a projection.

REPRESENTATIVE PETERSEN replied that he was encouraged by the availability of treatment in Alaska. He referenced the Governor's Council on Disabilities & Special Education, which reported that 15 autism specialists were currently enrolled in a two year program. He explained that, after 1500 hours of supervised field work, they would be board certified [associate] behavior analysts. He reported that Alaska was projected to need 30 analysts. He observed that there were also six graduate students working on the field work for the certification, and that more would enter the field as the demand increased.

4:17:55 PM

REPRESENTATIVE CISSNA asked for an estimate to the increase in autism, and she opined that parents not trained in recognizing behaviors could miss the early, initial opportunity for treatment. She offered support for HB 187, as it could lead to a healthier workforce. She suggested that family and friends could help with the treatment to offset some of the cost.

4:20:53 PM

REPRESENTATIVE T. WILSON asked if any private [insurance] companies offered autism coverage, and why the state insurance plan did not offer autism coverage.

4:21:17 PM

REPRESENTATIVE PETERSEN opined that the governor was aware of this legislation. He offered his belief that it was not unusual for the state to adopt a "wait and see" approach, and, as the effective date for the bill would be January 1, 2011, the state would be able to "sign on."

4:22:19 PM

REPRESENTATIVE SEATON pointed to the definition for "medically necessary," Section 1, Subsection (e)(5) of Version P. He explained that for workforce injuries, any treatment performed

was defined as "medically necessary;" whereas HB 187 identified that anything could be medically necessary. He asked if there was a broad spectrum of services that would be defined as "medically necessary" under subparagraphs (A)-(C). He expressed concern that a lack of treatment restrictions could add to the cost.

[4:23:45 PM](#)

REPRESENTATIVE PETERSEN relayed that Providence Alaska Medical Center reached a diagnosis, identified the child's placement on the spectrum, and developed an individual treatment plan. He said that HB 187 would limit the insurance company annual liability to \$36,000.

[4:24:50 PM](#)

REPRESENTATIVE SEATON pointed out that the wording of the bill would make it a statutory requirement that the plan "must identify all the medically necessary pharmacy care, psychiatric care, psychological care, rehabilitative care, and therapeutic care required." [Version P, Section 1, page 1, lines 13-14 and page 2, line 1.] He expressed that this might be a much broader list than a sequential plan, and that there might be some unintended consequences.

[4:25:55 PM](#)

CO-CHAIR KELLER referenced a prior testimony which stated there were no biological markers for autism, and he opined that, therefore, a general practitioner could not make a diagnosis. He asked if any other statutes defined "medical necessity" and he also expressed concern for any unintended consequences.

[4:26:38 PM](#)

REPRESENTATIVE PETERSEN listed the autism diagnostic contributors at Providence Alaska Medical Center to include an occupational therapist, speech therapist, developmental pediatrician, nurse practitioner, and social worker.

[4:27:24 PM](#)

GWENDOLYN LEE expressed her support for HB 187 as early intervention would now be eligible for insurance payment. She established the critical necessity for early diagnosis, which often resulted in an enhanced quality of life and functioning

skill level. She directed attention to the payment cap as a protection for the insurance companies.

[4:30:23 PM](#)

KATHLEEN FITZGERALD, Chair, Developmental Disabilities (DD) Committee, Autism Ad Hoc Committee, Governor's Council on Disabilities & Special Education, reported that neuro-psychiatric developmental clinics were now in Barrow, Kotzebue, Nome, Bethel, Dillingham, Kodiak, Fairbanks, Juneau, Ketchikan, and Anchorage. She certified that this had lead to a much better job of screening and diagnosing. She shared that a developmental diagnosis for autism needed a multi disciplinary team, as it was neuro developmental without medical markers. She reported that diagnosis and treatment for a broader spectrum, instead of just for severe autism, had increased the statistic for reported autism. She specified that not all children would need the most intensive services, with fewer using the full range of treatments. She relayed that the group had received a federal grant which focused on autism identification and diagnosis in rural communities, to allow for quicker, appropriate intervention.

[4:35:24 PM](#)

MS. FITZGERALD explained that it was now possible to identify experts to tie in with the Alaska system. She opined that within two years, there would be good in-state options for families. She offered her belief that insurance needed to be an integral means of payment for the services. She mentioned the possibility of obtaining an early intervention waiver. She emphasized that a lot of time and thought had been given to developing a thorough system that brought appropriate service to Alaska.

[4:38:04 PM](#)

TANJA UPDIKE, Governor's Council on Disabilities & Special Education, declared that she was a member of the council, but more important, she was a mother with a child with autism. She shared some poignant moments of his early childhood and the obstacles posed for her family. She relayed that she faced on-going resistance to payments from the insurance carrier. She touted the importance of early diagnosis and treatment. She expressed her strong support of HB 187.

[4:42:20 PM](#)

MS. FITZGERALD reiterated the cost savings, and the need for special education and early intervention. She offered a recommendation for a change to the wording of the bill. She pointed to the original bill, page 3, line 28, and suggested to add the word "administered," after "delivered," as this would also cover the responsibility for out of state insurance companies working in Alaska.

[4:43:59 PM](#)

REPRESENTATIVE SEATON requested that Ms. Fitzgerald reference her suggestion to Version P.

[4:44:17 PM](#)

MILLIE RYAN, Executive Director, Governor's Council on Disabilities & Special Education, offered to answer any questions.

[4:44:53 PM](#)

CO-CHAIR KELLER asked what was the best way to offer coverage for autism.

[4:46:15 PM](#)

MS. RYAN replied that a responsibility of insurance companies was to cover health costs. She stated that autism should have the necessary coverage for health care services. She allowed that the family and the state of Alaska could also pay, but that one entity should not bear the entire cost.

[4:47:19 PM](#)

CO-CHAIR KELLER said that insurance companies sold a commodity, and he opined that it was difficult to get insurance companies to serve Alaska. He questioned how many mandates the insurance companies in Alaska would accept and continue to offer coverage.

MS RYAN reported that the actuarials indicated the cost would be \$3.60 per insurance premium, but she granted that an unlimited number of coverages would not be feasible.

[4:48:55 PM](#)

REPRESENTATIVE T. WILSON asked Ms. Updike about her insurance coverage.

MS. UPDIKE replied that her insurance did not pay, but that TEFRA [Tax Equity and Fiscal Responsibility Act] and the state of Alaska offered some coverage. She explained that her son received minimal therapies, and that many were administered at home. She reported that without the guidance of a good care provider, many families would not be aware of TEFRA. She reported that her insurance company told her that autism was "a delay or it's something he will grow out of, so he doesn't need services."

[4:50:05 PM](#)

REPRESENTATIVE T. WILSON asked about the annual out of pocket expense.

JENNIFER CARD, Licensed Clinical Social Worker, disclosed that she was a licensed clinical social worker and the mother of a child with autism. She reported that when she moved to Alaska six years ago, she experienced difficulties in finding services for her son, so she pursued a Masters degree in social work and certification in Applied Behavior Analysis in order to offer better care for her son. She related that it was necessary to hire support staff to maintain a home care program, and this was not covered by TEFRA. She shared that the cost for a care provider was \$15/hr for 30 hours a week. She expressed the difficulty for families who did not have that money.

[4:52:35 PM](#)

REPRESENTATIVE CISSNA expressed concern with "not having in state services for our children." She asked for clarification to the number of autistic Alaskan children being treated out of state. She questioned the cost of not having in state care.

[4:53:42 PM](#)

MS. RYAN, in response to Representative Cissna, said that 118 children with the most severe issues were still out of state, and of these, she estimated that 25 children had autism. She opined that some of these kids might qualify for a mental retardation developmental disability waiver. She explained that it would be best to serve them in Alaska, which was a tenet of the Bring the Kids Home program. She offered her belief that a more specialized provider would be necessary in Alaska.

[4:55:47 PM](#)

REPRESENTATIVE CISSNA commented on the difficulty of keeping resources in Alaska. She directed attention to the cost to society of having a child not get service in Alaska.

[4:56:38 PM](#)

MS. RYAN referenced a study done by Harvard economist Michael Ganz, and she stated that "it cost about \$3.2 million per capita to not provide services at the time when it is most needed which is as soon as the child is diagnosed."

[4:57:25 PM](#)

LORRI UNUMB, Attorney and Senior Policy Advisor, Autism Speaks, Former Law Professor, George Washington University Law School, said that she became a full time advocate for kids with autism when she became aware of the inequity in the insurance arena. She presented a PowerPoint. Referring to slide 2, she noted that the term autism was often misused to refer to either autism spectrum disorder or one of the disorders. She pointed to slide 3, and explained the umbrella category, pervasive developmental disorders, which included: autism spectrum disorder. She noted the three disorders included in autism spectrum disorder: autistic disorder, asperberger syndrome, and pervasive developmental disorder not otherwise specified (PDDNOS), which was a milder form of autism.

MS. UNUMB noted that there was treatment for autism, but not a known cure. She shared that Applied Behavior Analysis (ABA) therapy resulted in a physiological change, detectable in a brain scan. She reported that although ABA therapy was the most commonly prescribed protocol, it was a denied coverage, labeled by insurance companies as experimental. She pointed to major insurance company policies which explicitly excluded ABA therapy. She observed that the Surgeon General, National Research Council, and American Academy of Pediatrics all stated that ABA therapy was not experimental or investigational. She shared studies of ABA therapy which indicated that 47 percent of the kids overcame the disabling condition "to the extent they can go to first grade indistinguishable from their peer." She noted that the remaining 53 percent also made significant clinical gains.

[5:02:08 PM](#)

MS. UNUMB disclosed that, as ABA therapy was intensive, it was also expensive, and that the treatment for her son cost \$75,000 per year, out of their pockets. She revealed that these extraordinary medical expenses had resulted in three [tax] audits [by the Internal Revenue Service (IRS)]. She noted that children from families that could not afford this treatment were not treated, and she lamented that a working treatment was only available to the wealthy. She opined that this was not fair, especially to families who had insurance.

[5:03:51 PM](#)

MS. UNUMB referred to the Harvard study mentioned earlier, which projected the direct and indirect, [loss of productivity] lifetime costs of \$3.2 million. She pointed to a 1998 Pennsylvania study which showed a direct taxpayer cost of \$1 million for each un-treated child with autism. She pointed to a slide which charted an increase to the prevalence rate. She opined that this would cost the state of Alaska a huge amount if the services were not made available. She identified 14 states which had enacted insurance reform.

[5:06:48 PM](#)

MS. UNUMB explained that, in 2005, she wrote the South Carolina autism legislation and she had seen it successfully implemented. She pointed out that providers had joined networks and negotiated satisfactory reimbursement rates, and she shared that the number of certified behavior analysts had since doubled. She welcomed that no insurers had left South Carolina, and the premium increase had been miniscule. She affirmed that a similar bill was pending in 19 more states.

[5:09:08 PM](#)

MS. UNUMB referenced an annual report by the Council for Affordable Health Insurance titled "Health Insurance Mandates in the States" which listed all the insurance mandates in each state with its estimated impact on premiums. She directed attention to the impact from autism premiums, which was less than 1 percent. She shared that Autism Speaks had a contract with an independent actuarial firm to produce studies on pending bills, and she offered for an independent actuarial on HB 187. She pointed out that every state actuarial study had shown an impact of less than 1 percent. She detailed that the impact to Minnesota premiums was 83 cents per month, and the average cost

per patient for ABA therapy was \$30,000. She reminded the committee that Minnesota had an unlimited cap on autism therapy.

[5:10:58 PM](#)

MS. UNUMB noted that South Carolina had included the state employee health plan within the mandate at an estimated annual cost of between \$9 and \$18.9 million. She observed that the actual cost was \$856,371, which was a member premium cost increase of 20 cents per month.

[5:12:34 PM](#)

REPRESENTATIVE SEATON asked for a copy of the PowerPoint.

[5:13:39 PM](#)

JAMES BOUDER, COO, The Vista School and The Vista Foundation, submitted his cost benefit analysis and explained that the Pennsylvania cost for its mandate, which was similar to HB 187, was less than 1 percent. He pointed out that by applying this same methodology, Alaska could expect an impact of less than 1 percent on premiums. He agreed that once a funding stream was accessible, providers would become more available. He said a gradual cost increase would be spread over the first five to six years. He discounted the idea that this would dramatically impact premiums.

[5:17:17 PM](#)

MR. BOUDER testified that actuarial firms had all agreed with his findings of a minimal cost impact. He estimated that this would cost Alaskan rate payers about \$3.60 month. He confirmed that the mandate was not a significant cost, but emphasized that as an investment, extending these services would result in a savings of \$667 million over the lifetime of children with autism in Alaska. He opined that this was a low upfront cost with a significant return on investment over time. He reiterated the importance of avoiding the human service costs, and noted that people with autism will get jobs and become taxpayers.

[5:20:56 PM](#)

REPRESENTATIVE SEATON referring to Version P, page 1, lines 9 - 13, asked if this would exclude care normally provided by a waiver. He also asked if Version P would require that the only

care providers would be those listed in Section 1, subsection (e), paragraph (1)(A)-(E). He opined that this was not what he believed to be the intent.

[HB 187 was held over.]

[5:22:15 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Health and Social Services Standing Committee meeting was adjourned at 5:22 p.m.