



STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
919 ALA MOANA BOULEVARD, ROOM 113
HONOLULU, HAWAII 96814
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543
March 12, 2008

The Honorable Robert N. Herkes, Chair
House Committee on Consumer Protection & Commerce
Twenty-Fourth Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

Dear Representative Herkes and Members of the Committee:

SUBJECT: HCR 62 – REQUESTING THE AUDITOR TO ASSESS THE SOCIAL AND FINANCIAL EFFECTS OF REQUIRING HEALTH INSURERS TO PROVIDE COVERAGE FOR DIAGNOSIS AND TREATMENT OF AUTISM SPECTRUM DISORDERS.

The position and views expressed in this testimony do not represent nor reflect the position and views of the Department of Health.

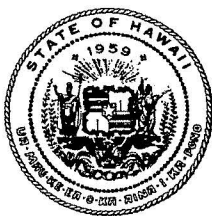
The State Council on Developmental Disabilities **supports HCR 62**. The purpose of the concurrent resolution is to request the Auditor to: 1) conduct an impact assessment report of the social and financial impacts of mandating health insurers to provide coverage for the diagnosis and treatment of autism spectrum disorders; and 2) submit findings and recommendations to the Legislature prior to the convening of the Regular Session of 2009.

The Council appreciates the Legislature's interest and concern about autism spectrum disorders and looks forward to the results of the Auditor's report.

Thank you for the opportunity to present testimony in support of HCR 62.

Sincerely,

Wyanette K.Y. Cabral
Executive Administrator



DISABILITY AND COMMUNICATION ACCESS BOARD

919 Ala Moana Boulevard, Room 101 • Honolulu, Hawaii 96814

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March 12, 2008

TESTIMONY TO THE HOUSE COMMITTEES ON CONSUMER PROTECTION AND COMMERCE AND HEALTH

House Concurrent Resolution 62 – Requesting the Auditor to Assess the Social and Financial Effects of Requiring Health Insurers to Provide Coverage for Diagnosis and Treatment of Autism Spectrum Disorders

The Disability and Communication Access Board (DCAB) is a statewide board with seventeen (17) members appointed by the Governor, thirteen (13) of whom are persons with disabilities or family members. The Board's mission is to advocate and promote full integration, independence, equal access, and quality of life for persons with disabilities in society. This testimony represents a position voted upon by the Legislative Committee of the Board.

We support HCR 62 Requesting the Auditor to Assess the Social and Financial Effects of Requiring Health Insurers to Provide Coverage for Diagnosis and Treatment of Autism Spectrum Disorders. We are aware that it is a requirement for a study to be conducted related to the social and financial effects of requiring health insurers to offer coverage for diagnosis and treatment of Autism Spectrum Disorders, per Section 21-51, Hawaii Revised Statutes. DCAB supports this study in order to obtain necessary information to amend the statute in an informed and appropriate manner to mandate coverage for diagnosis and treatment of Autism Spectrum Disorders.

Thank you for the opportunity to testify.

Respectfully submitted,

PATRICIA M. NIELSEN
Chairperson
Legislative Committee

FRANCINE WAI
Executive Director



Kalma K. Wong
46-220 Alaloa Place
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March 11, 2008

Representative Robert Herkes
Chair, House Consumer Protection and Commerce Committee
Hawaii State Capitol, Room 320
415 South Beretania Street
Honolulu, Hawaii 96813

Representative Angus McKelvey
Vice-Chair, House Consumer Protection and Commerce Committee
Hawaii State Capitol, Room 315
415 South Beretania Street
Honolulu, Hawaii 96813

Re: In support of HCR62, Requesting the Auditor to Assess the Social and Financial Effects of Requiring Health Insurers to Provide Coverage for Diagnosis and Treatment of Autism Spectrum Disorders House Committee on Health, March 12, 2008, 2:15 p.m., Room 325

Dear Chair Herkes, Vice-Chair McKelvey, and members of the House Consumer Protection and Commerce Committee:

I am writing to express my support of House Concurrent Resolution 62, which requests that the State Auditor assess the social and financial impact of requiring health insurers to provide coverage for the diagnosis and treatment of autism spectrum disorders, as is outlined in House Bill 2727.

Autism is a complex neurobiological disorder that currently affects 1 in 150 children, according to the Center for Disease Control. Autism impairs a person's ability to communicate and relate to others, and is often associated with repetitive behaviors, poor eye contact, and rigidity in routines. Children with autism often have co-occurring conditions, such as behavioral problems, speech disorders, depression, anxiety, muscle or joint problems, ear infections, vision and hearing problems, and allergies. The wide range of co-occurring problems leads to their need for services from trained medical professionals and for a full-range of therapies. The therapies include speech therapy, occupational therapy, and intensive behavioral therapy, such as Applied Behavior Analysis (ABA), among others. With proper medical intervention and intensive therapies

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children with autism can improve to such an extent that they can enter mainstream classrooms unassisted.

Unfortunately, children with autism are often denied coverage for necessary therapies by private health insurance companies. One important therapy denied by insurers is Applied Behavior Analysis (ABA). ABA has a decades-long record of efficacy and is recognized by The U.S. Surgeon General's 2001 Report on Mental Health as the treatment that is effective for autism. Although ABA is the single intervention most often sought by parents of children with autism, insurers frequently deny it as a benefit. As a result, families often pay for these costly services out of pocket. But many families cannot afford these effective therapies and are forced to go without them at all, leaving children with autism even farther behind.

The failure of insurance companies to provide coverage for effective treatments for autism is not only an injustice to families affected by autism, it is also a gross disservice to Hawaii and to the citizens of this state. It has been estimated that the cost of caring for someone with autism is \$3 million over his or her lifetime, and the cost to the country per year is \$13 billion. However, with effective treatments, it has been estimated that the cost savings per child is \$2.4 to \$2.8 million per year to age 55. Mandated insurance coverage for autism will result in a huge cost savings for everyone in the long run.

Please pass House Concurrent Resolution 62 and take an important step toward making insurance coverage for autism a reality.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Kalma K. Wong". The signature is fluid and somewhat stylized, with the first and last letters of each word being capitalized and prominent.

Kalma K. Wong
Hawaii Chapter President &
Advocacy Chair for Hawaii,
Autism Speaks
(Formerly Cure Autism Now)

Argument 6: The costs of the proposed benefit are small and will have very little impact on the cost of health insurance premiums for the individual consumer.

Earlier this year, The Council for Affordable Health Insurance, a research and advocacy association of insurance carriers, released its annual report on state health insurance mandates, *Health Insurance Mandates in the States 2007*.²¹ The report defined a mandate as “a requirement that an insurance company or health plan cover (or offer coverage for) common – but sometimes not so common – health care providers, benefits and patient populations.” (Bunce, *supra* note 21) Using this definition, the report identified legislative mandates for autism benefits in ten states: Colorado, Delaware, Georgia, Iowa, Indiana (which, as we have noted, provides comprehensive benefits), Kentucky, Maryland, New Jersey, New York, and Tennessee. The report assessed the incremental cost of state mandated benefits for autism in these ten states *as less than one percent*.

The Council’s modest estimate of incremental premium costs is consistent with state government estimates across the country. Prior to enactment of Indiana’s sweeping legislation, the Indiana Legislative Services Agency estimated additional premium costs as ranging from \$.44 per contract per month to \$1.67 per contract per month.²² In vetoing Ryan’s Law in South Carolina, Governor Mark Sanford estimated that the bill, with its \$50,000 maximum yearly benefit for behavioral therapy, would add \$48 annually to insurance policies.²³ And in Wisconsin, where pending Assembly Bill 417 would provide the same broad coverage Indiana’s statute mandates, the Department of Administration estimates policy increments of between \$3.45 and \$4.10 per month – about the same as Governor Sanford’s estimate for Ryan’s Law.²⁴

The cost estimates for Indiana, South Carolina, and Wisconsin – all states whose legislation allows a maximum benefit that can be considered high – suggest that an average autism insurance coverage mandate will cost approximately \$50 annually per policy holder. For only a modest effect on premium cost, this insurance reform holds the promise of significantly improving the lives of thousands of children.

**TESTIMONY TO THE TWENTY-FOURTH STATE LEGISLATURE, 2008
SESSION**

To: House Committee on **Consumer Protection** and Commerce
From: Gary L. Smith, President
Hawaii Disability Rights Center
Re: HCR 62
Hearing: Wednesday, March 12, 2008 2:15 PM
Conference Room 325, State Capitol

Members of the Committee on Consumer Protection and Commerce:

Thank you for the opportunity to provide testimony supporting HCR 62

I am Gary L. Smith, President of the Hawaii Disability Rights Center, formerly known as the Protection and Advocacy Agency of Hawaii (P&A). As you may know, we are the agency mandated by federal law and designated by Executive Order to protect and advocate for the human, civil and legal rights of Hawaii's estimated 180,000 people with disabilities.

We support this Concurrent Resolution. We believe that medical insurance policies should cover the treatments for autism spectrum disorder. Yet, there are many advocates in the community for the needs of autistic children who have relayed experiences concerning a lack of coverage. If that is true, then the legislature should in our view mandate such coverage. This is a serious condition which can be ameliorated with proper treatment.

We realize that under state law, a Report from the Legislative Auditor is required before the legislature can mandate such coverage. In that event, we hope the Committee will pass this Concurrent Resolution so we can have the study.

Thank you for the opportunity to provide testimony in support of this Resolution.

Testimony of
Phyllis B. Dendle
Director of Government Affairs

Before:
House Committee on Consumer Protections & Commerce
The Honorable Robert N. Herkes, Chair
The Honorable Angus L.K. McKelvey, Vice Chair
and
House Committee on Health
The Honorable Josh Green, M.D., Chair
The Honorable John Mizuno, Vice Chair

March 12, 2008
2:15 pm
Conference Room 325

**HCR 62 REQUESTING THE AUDITOR TO ASSESS THE SOCIAL AND
FINANCIAL EFFECTS OF REQUIRING HEALTH INSURERS TO
PROVIDE COVERAGE FOR DIAGNOSIS AND TREATMENT OF
AUTISM SPECTRUM DISORDERS**

Chairs, Vice Chairs, and committee members, thank you for this opportunity to provide testimony on HCR 62 which requests the auditor to assess the social and financial effects of requiring health insurers to provide coverage for diagnosis and treatment of autism spectrum disorders.

Kaiser Permanente Hawaii supports this request.

Kaiser Permanente's position on proposed legislative mandates of health coverage is that they are usually not a good idea, for several reasons:

1. First, because they generally tend to raise the cost of delivering health care, thereby resulting in higher premiums and increased cost to the purchasers and payors of health plan coverage, whether they be employer groups or individuals;
2. Second, because they often tend to dictate how medicine should be practiced, which sometimes results in medicine that is not evidence based and usurps the role and expertise of the practicing physician and other health care professionals who provide medical treatment and services; and
3. Finally, because they often lock in statutory requirements that become outdated and do not keep pace with the ever evolving and advancing fields of medicine and medical technology.

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Accordingly, Kaiser supports requesting the legislative auditor to conduct an impact assessment report, as required pursuant to Sections 23-51 and 23-52 of the Hawaii Revised Statutes, to assess among other things:

- a) the extent to which this mandated insurance coverage would be reasonably expected to increase the insurance premium and administrative expenses of policy holders; and
- b) the impact of this mandated coverage on the total cost of health care.

Thank you for the opportunity to comment.

mckelvey3

From: N.D. [bookfanatic@hotmail.com]
Sent: Monday, March 10, 2008 11:22 PM
To: CPCtestimony; Rep. Angus McKelvey
Subject: House Concurrent Resolution 62 (HCR62) , Consumer Protection and Commerce Committee, March 12, 2008,

Testimony in STRONG SUPPORT for House Concurrent Resolution 62 (HCR62)

Dear Chair Robert Herkes and Vice-Chair Angus McKelvey,

I am writing to express my strong support for HCR 62 which is needed in order for Dylan's Law (House Bill 2727) to be passed. Dylan's Law mandates health insurance coverage for autism spectrum disorders. Children with autism often have co-occurring conditions, such as behavioral problems, speech disorders, anxiety, muscle or joint problems, ear infections, gastro-intestinal problems, vision and hearing problems, and allergies. The wide range of co-occurring problems leads to their need for services from trained medical professionals and for a full-range of therapies. Mandated private health insurance coverage will provide services that are desperately needed by children with autism, who have greater health care needs than children without autism. The costs of this insurance reform are small and will have very little impact on the cost of health insurance premiums for the individual consumer.

Unfortunately, children with autism are often denied coverage for necessary therapies by private health insurance companies. The therapies frequently denied include speech therapy, occupational therapy, and intensive behavioral therapy, such as Applied Behavior Analysis (ABA). Applied Behavior Analysis (ABA) is a data-based intervention for autism that has a decades-long record of efficacy. ABA therapy has shown to increase educational placements and increased IQ levels of those with autism. This therapy is recognized by the U.S. Surgeon General's 2001 Report on Mental Health as being widely accepted as the effective treatment for autism. But insurers frequently deny ABA as a benefit, and families are often forced to pay for these costly services out of pocket.

Too many local families of children with autism are deeply in debt as a result of the lack of health insurance coverage for these necessary therapies. However, the cost of paying for the therapies out of pocket not only causes financial strain for the families, but it also causes heavy emotional distress. For many of these families, the stress is more than they can bear and many of the marriages end in divorce. But in spite of the burdens of autism on the insurance companies, the government, the families, and even on society as a whole. Without passage of legislation requiring private health insurance coverage for autism, the costs associated with autism will continue not only to affect families, but will have far reaching social effects as well. Dylan's Law is about all children with autism who deserve to have a better quality of life.

I urge you to pass HCR 62. We need to make insurance coverage for autism a reality. The children with autism in Hawaii deserve to have the opportunity to thrive. We are not asking for the moon. We are asking health insurers cover treatments for a disorder just as they cover treatments for other disorders in the Diagnostic and Statistical Manual (DSM) of the American Psychiatric Association. I do not think this is too much to ask.

Thanks for considering my testimony. If you have any questions please call me.

Dan Santos 226-0398

3/11/2008

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The Honorable Robert N. Herkes, Chair
House Committee of Consumer Protection and Commerce
Twenty-Fourth Legislature, 2008
State Capitol
Honolulu, Hawaii 96813

RE: HRC 62 Requesting the Auditor to Assess the Social and Financial effects of requiring Health Insurers to provide coverage for Diagnosis and Treatment of Autism Spectrum Disorders

Dear Representative Herkes and Members of the Committee,

My name is Bernadette Keliiaa, first and foremost I am here as a parent of an adult child on the Autism Spectrum, Donovan is 26 years old and diagnosed with Pervasive Developmental Disorder Not Otherwise Specified (PDD-NOS). I am also on the State Council on Developmental Disabilities.

I strongly urge you and this committee to support the passage of HCR 62. This resolution is too late to assist my son, but the need for such a pro-active, forward thinking approach is essential when you think about the number of children, families and our society in general being effected by this disorder.

I would like to think that the idea of Early Intervention, that is crucial to future success of any child, is not a novel idea but a necessity. The social skills, such as communication and the ability to read body language, that seem to come naturally for most is not natural for children on the Autism Spectrum and need to be taught and reinforced continually. The earlier and more consistently treatment and therapies begin the better our children will be able to navigate the social world that is so foreign to them.

In regard to the Financial aspect of this proposal. Would it not be the most prudent, effective and fiscally responsible way to approach this disorder to invest in early, than to subsidize a lifetime due to lack of these basic social skills and inability to function as a contributing member of our community?

As a parent living with this disorder, I would strongly urge this Committee to continue to pursue this request to the Auditor. I thank you for your interest and concern about individuals with developmental disabilities, their families and the community we are all a part of.

Sincerely,

Bernadette Keliiaa
99-1040 Puumakani St.
Aiea, HI 96701

Teresa Chao Ocampo
215 N. King Street, Apt. 207
Honolulu, HI 96817

March 12, 2008

Representative Angus L.K. McKelvey, Vice-Chair
The House Committee on Consumer Protection & Commerce
State Capitol
415 South Beretania Street
Honolulu, HI 96813

Meeting on Wednesday, March 12, 2008, Conference Room 325 at 2:15 p.m.

RE: HCR62 RESOLUTION REQUESTING AUDITOR TO ASSESS THE SOCIAL AND FINANCIAL EFFECTS OF REQUIRING HEALTH INSURERS TO PROVIDE COVERAGE FOR DIAGNOSIS AND TREATMENT OF AUTISM SPECTRUM DISORDERS.

Dear Representatives McKelvey and House Committee on Consumer Protection & Commerce:

I STRONGLY SUPPORT HCR62. An assessment of this nature will show that providing early and intense treatment to children with Autism will reduce the social and financial impacts to our society if their medical needs are met early on in life. Additionally, this resolution will also show that having health insurers to provide the necessary types of treatment will have little to no financial impact on other private members of these health organizations.

According to the Autism Society of America, Autism is a complex neurological disorder that typically appears in the first three years of life. It affects the functioning of the brain and therefore impacts the normal development of the brain in the areas of social interaction and communication skills. Autism and its many variations are recognized in the American Psychiatric Association's Diagnostic & Statistical Manual of Mental Disorders (DSM-IV-TR). Therefore, Autism is a treatable medical condition.

In February 2007, the Centers for Disease Control and Prevention had issued a report that concluded that the prevalence of Autism had risen to 1 out of 150 children in the United States and almost 1 in every 94 boys. This means that there may be as many as 1.5 million Americans today living with Autism. If you review the statistics from the Department of Education, Hawaii's Autism rates have steadily increased in parallel with the national average. Financial challenges for parents are magnified due to limited insurance coverage for therapies in the treatment of Autism. Hawaii's insurance companies currently do not RECOGNIZE Autism as a medical disease or disorder thereby making this financially difficult for many if not most of those Hawaii families with an autistic child.

Parents must often make difficult choices between their Autistic child and the needs of the rest of the family where they incur thousands and thousands of dollars of out of pocket expenses for therapies, drugs and various labs that are currently not covered by health insurance providers here in Hawaii. As a parent of an Autistic child, I find that every day is a struggle.

Routine tasks that many people take for granted such as eating, brushing teeth, changing clothes, going to school and basic safety and hygiene needs all take a toll on parents and family of Autistic children day to day. We have to teach our children how to understand pragmatic speech, how to read body language and how to understand inferences in social settings. We have to teach our children how to express their emotions and what they mean. We have to teach our children not to panic when they get wet by a few drops of rain. We have to teach our children how to survive in a world that no longer tolerates individual differences. Our children need these services early in life to help them function in society independently as adults. These are some of

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the reasons why this Resolution is so important to the children of Hawaii, even more so to those who are yet to be diagnosed.

Insurance companies may argue that there will be a shift in the cost of autism related services to those private members who currently pay premiums. This is the usual argument from the insurance companies whenever they face this type of situation, however, the findings almost always show that there is little to no impact on the private members. We will never know the answer unless the proposed assessment is conducted and we owe it to these children to find out before it's too late for them.

Please support HCR62 for our children and their future.

Sincerely,

Teresa Chao Ocampo
Parent of an Autistic child
javanut418@aol.com
808-585-8641

(Resolution HCR62)