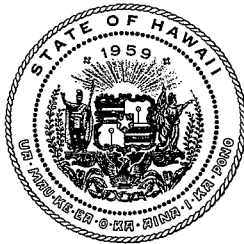


STATE OF HAWAII
OFFICE OF THE AUDITOR
465 S. King Street, Room 500
Honolulu, Hawaii 96813-2917



MARION M. HIGA
State Auditor

(808) 587-0800
FAX: (808) 587-0830

DEPT. COMM. NO. 1

July 23, 2009

The Honorable Colleen Hanabusa
President of the Senate
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President:

I transmit to you a copy of our report, *Study of the Social and Financial Impacts of Mandatory Health Insurance Coverage for the Diagnosis and Treatment of Autism Spectrum Disorders*.

Senate Bill No. 2532, Senate Draft 1, mandates health insurance coverage for the diagnosis and treatments of autism spectrum disorders for individuals under the age of 21. Autism is a developmental disability that adversely affects a child's educational performance. We found the social impacts appear minimal in Hawaii, since both educational interventions and health services, including applied behavior analysis, are generally available through federal- and state-funded programs under the *Individuals with Disabilities Education Act* and implemented by the Departments of Health (DOH) and Education. However, an increase in demand for service providers and significant financial impacts to insurance carriers would result as families would have the option of increasing the frequency of educational interventions and health services, if the bill were enacted. The cost to health insurers, estimated to be \$1 billion, more than likely would be passed on to the employer and consumer. Enactment of this measure is not recommended. The DOH opposes our recommendation and submits that private insurance treatments are needed to supplement existing services.

We hope that the report will assist you in reviewing the issues examined. We will place the report on our website, www.state.hi.us/auditor, and release it to the public and press, on Friday, July 24, 2009.

Sincerely,

for Marion M. Higa
State Auditor

Enclosure

c. Carol Taniguchi, Senate Clerk