



Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383  
Fax: (517) 373-1986  
TDD: (517) 373-0543

Senate Bills 784 and 785 (as introduced 9-19-07)  
Sponsor: Senator Tupac A. Hunter  
Committee: Health Policy

Date Completed: 5-13-08

## **CONTENT**

Senate Bills 784 and 785 would amend the Insurance Code and the Nonprofit Health Care Corporation Reform Act, respectively, to require an insurer, a health maintenance organization (HMO), and Blue Cross and Blue Shield of Michigan (BCBSM) to provide coverage for autism spectrum disorder; and to provide that coverage under the same terms and conditions as the coverage for treatment of other disorders.

Senate Bill 784 would apply to an expense-incurred hospital, medical, or surgical policy or contract and an HMO contract. Senate Bill 785 would apply to a BCBSM certificate.

The required coverage would have to include therapeutic evaluations and interventions, speech therapy, occupational therapy, physical therapy, intensive early intervention, applied behavioral analysis, and Lovaas behavioral therapy. An insurer, an HMO, or BCBSM could confirm a diagnosis or review the appropriateness of a specific treatment plan in order to ensure that the coverage was limited to diagnostic and treatment services.

"Autism spectrum disorder" would mean a neurobiological condition that includes autism, Asperger Syndrome, and Rett's Syndrome.

Proposed MCL 500.3406s (S.B. 784)  
Proposed MCL 550.1416e (S.B. 785)

Legislative Analyst: Julie Cassidy

## **FISCAL IMPACT**

There are two considerations in estimating the net cost of mandating coverage of autism spectrum disorder by health insurers: the cost of the coverage and the potential long-term savings from early intervention.

Estimates vary as to the cost increase for insurers. Treatment for autism spectrum disorder is expensive, but it only affects a small number of enrollees. The general estimate is in the range of a 1% cost increase, which would equate to about a \$2 million GF/GP increase for the State of Michigan. The cost increase for local governments would be of a similar magnitude.

Estimates of potential long-term cost avoidance are much more difficult to quantify as there is no indication of any fully controlled random assignment studies of the effects of covering services. On an intuitive basis, it is clear that the cost increase would be at least partially and perhaps completely offset by long-term savings.

Fiscal Analyst: Steve Angelotti

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