

## **Rep. Ron Peterson's Comments on Autism Cost Study Lack Merit**

Yesterday, the office of Rep. Ron Peterson issued a press release captioned "Senator Gumm's Autism Study Shows Potential for Significant Rate Increases." The press release contains numerous factual and interpretive errors that misrepresent my cost report's contents and threaten to mislead legislators in their task of making informed decisions regarding the merits of Nick's Law. Notwithstanding my careful and well-documented calculation of lives potentially affected by Nick's Law, Rep. Peterson regards my findings as "pretty strange" and "prov[ing] the need for an independent actuarial study." My assumptions, however, can only be regarded as "strange" from the vantage point of someone grossly ignorant of the problem and my methods are transparent enough to be tested by an average person with a calculator. I am issuing this statement to correct Rep. Peterson's flawed treatment of my study.

First, Rep. Peterson continues to allege that my employer, The Vista Foundation, is "a Pennsylvania-based autism advocacy group." This is incorrect. The Vista Foundation's primary purpose is to provide high quality, intensive behavioral health services to children who are severely affected by autism and enrolled in The Vista School's special education program ([www.thevistaschool.org](http://www.thevistaschool.org)). I am the Chief Operating Officer of that organization and the father of one of the school's adolescent students. On my own time, I offer my volunteer services to families and legislators attempting to obtain equitable insurance reimbursement for safe and scientifically validated services needed by their loved ones living with autism.

Second, Rep. Peterson alleges that insurance companies base their pricing on actual exposure and argues that Nick's Law should be priced assuming 1 in 150 eligible children will incur clinical expenses up to the \$75,000 annual cap. This position is not supported by independent actuarial studies completed for very similar legislation in Pennsylvania, Arizona, and Louisiana, which consistently assumed mean per capita expenditure rates significantly below the high range of the Oklahoma benefit cap (approximately \$17,700 to \$23,000 annually). Furthermore, Rep. Peterson's position requires one to ignore the severity range of autistic symptoms and grossly overstates the clinical needs of the vast majority of children with autism. My professional experiences overseeing Vista's business functions have afforded me a strong understanding of the cost of delivering intensive services to children with severe autism and those expenses are significantly lower than \$75,000 annually. In short, the notion that every child in Oklahoma satisfying the diagnostic criteria for autism will run up \$75,000 in annual clinical claims is absurd.

Third, I do not "acknowledge" that 100% of costs will be passed onto consumers. I "assume" it to be the case in order to provide a conservative cost estimate. The likely cost of services covered under Nick's Law fall, for underwriting purposes,

within a discretionary range and, in many cases, will probably be absorbed in whole or in part by the insurer.

Rep. Peterson's comments succeed in one respect. They succeed in mishandling the fringes of my cost analysis while avoiding its substance. My mathematics are logical and consistent with actuarial standards and my method has replicated the results of Pennsylvania Insurance Department actuaries and independent actuaries of the Louisiana Office of Group Benefits within mere hundredths of percentage points. The cost model has consistently delivered results on point with official findings in other states and can be trusted by the Oklahoma legislature for purposes of anticipating the likely rate impact of Nick's Law.

The Oklahoma legislature asked for credible data on the likely cost of Nick's Law on policy holders. I believe my analysis satisfies the substantive requirements specified by the Speaker of the House. Given the well documented and objective nature of the variables involved in my cost model, any insurance actuary should be able to confirm the validity of my findings within a business day, especially given the accuracy of my previous analyses (see links below\*).

Early treatment is critical for this population. A delay of one year could mean the difference between a child's recovery versus a lifetime of dependence on adults for care - a costly result in both fiscal and human terms. Proponents have previously demonstrated that there is no compelling clinical or ethical reason to permit the insurance industry's continued group boycott of these children. We have now demonstrated with a high level of certainty that there is no compelling fiscal reason to do so either. In fact, the final section of my analysis, wholly ignored by Rep. Peterson, demonstrates that failure to address the needs of children with autism in the manner prescribed by Nick's Law will be among the costliest public policy mistakes attached to the Speaker's and Rep. Peterson's political legacies.

I welcome serious inquiries regarding elements of my analysis from Rep. Peterson's office or any other legislator interested in vetting the facts for themselves. My contact information can be obtained from Senator Gumm's office.

With Kind Regards,

James N. Boudier, MPA

[\\*Rate Impact Analysis of Pennsylvania's House Bill 1150](#)

[\\*Cost Analysis of Louisiana's House Bill 958](#)