

New York S4005A / A6305A

AN ACT to amend the insurance law, in relation to coverage for the screening, diagnosis and treatment of autism spectrum disorders

ANALYSIS OF THE EFFECTS OF S4005A / A6305A ON THE NEW YORK STATE BUDGET

S4005A / A6305A would require insurance plans to cover autism spectrum disorders as they cover any other medical condition. By ending exclusions of autism spectrum disorder screenings, services and treatments, this bill will expand access to vital early treatments for thousands of children in New York.

Improving access to essential treatments is a challenge for no one sector of society, but will require the resources of New York’s government, businesses, health insurers and families—as other major threats to public health have required such combined commitments to address. As the cost analysis demonstrates, spreading the costs across multiple sectors will create substantial benefits for New York’s children, benefits that after a few years will outweigh the costs.

Analysis of the Effects of S4005A/A6305A on the New York State Budget

Autism Speaks selected a consulting team consisting of BD Group and Abt Associates to examine the effects of the proposed law on New York’s budget. Their close analysis of the bill’s likely impacts concluded that the bill would save the state over \$13 million after six years, with savings expected to continue to outpace costs thereafter.

Table 3. Summary of the Effects of the Autism Bill on Savings and Costs to New York State Government (in millions of dollars)

		Short Term New Savings and New Costs with Child Health Plus						
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
New Savings								
	Early Intervention	\$ 12	\$ 14	\$ 15	\$ 15	\$ 15	\$ 15	\$ 87
	Special Education	\$ -	\$ -	\$ 3	\$ 9	\$ 18	\$ 27	\$ 57
	Total Savings	\$ 12	\$ 14	\$ 18	\$ 24	\$ 33	\$ 42	\$ 144
New Costs								
	NYSHIP Premiums	\$ 8	\$ 10	\$ 12	\$ 14	\$ 17	\$ 20	\$ 80
	Child Health Plus	\$ 4	\$ 4	\$ 8	\$ 8	\$ 12	\$ 16	\$ 52
	Total Costs	\$ 12	\$ 14	\$ 20	\$ 22	\$ 29	\$ 35	\$ 131
Net fiscal gain (loss) to New York State Government		\$ 1	\$ 0	\$ (2)	\$ 2	\$ 5	\$ 7	\$ 13

Savings would be realized as private insurers pay for more of the services and treatments that are paid for today by Medicaid under the state’s Early Intervention Program (EIP). Ultimately, the larger share of the savings will result from the decrease in special education costs as more children receive the treatment that they need at an early age, allowing them to enter school ready to learn in a mainstream or minimally modified classroom.

Currently, 29 percent of clients served by the state Office of People with Developmental Disabilities (OPWDD) have a diagnosis of autism spectrum disorder. Although there are too many unknown variables to accurately calculate cost savings from reducing the number of those diagnosed who need OPWDD's services, even a small reduction in clients would likely produce considerable savings to the state.

Calculated cost increases to the state, which would be outweighed by the savings, would come from an increase in the health insurance premiums for the New York State Health Insurance Program (NYSHIP) and the Child Health Plus (CHPlus) program. Oliver Wyman, a highly respected actuarial firm, estimates, based on the experience in other states with similar autism coverage, that premiums would only increase by 0.27% - 0.63% after six years of such coverage being required.