



North Carolina
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES



Follow up – Benefit Change Requests

Board of Trustees Meeting

January 31, 2014

A Division of the Department of State Treasurer

Presentation Overview

- The Board expressed interest in receiving additional information on some of the benefit change requests presented at the November meeting
- The requests to be discussed include:
 - Coverage of Applied Behavioral Analysis for Autism Spectrum Disorders
 - Reduced Copays for Chiropractic Services

Applied Behavioral Analysis (ABA) for Autism Spectrum Disorder

- **Requestor:** Lorri Unumb, Autism Speaks
- **Requested Change:** Addition of treatment for autism spectrum disorders, including coverage for applied behavioral analysis
- **Rationale:** With appropriate treatment, including ABA therapy, children with autism can overcome disabling aspects of the condition. Autism Speaks referenced a study that estimates the lifetime cost savings associated with appropriate treatment is \$1 million per child.

NC General Assembly Consideration of ABA

- House Bill 498 Autism Health Insurance Coverage
 - Requires insurers to provide \$36k maximum annual ABA benefit for individuals age 23 and younger, who were diagnosed prior to age 8
 - Prohibits limitations on the number of visits
 - Coverage cannot be denied on the basis that treatments are educational or habilitative
 - Coverage cannot be subject to cost sharing requirements that are more restrictive than those applied to substantially all other medical services
- Passed House and referred to Senate Committee on Insurance

ABA Benefit Design Development

- Plan staff seeking expertise to assist with benefit design development for consideration by the Board
 - TEACCH Autism Program, UNC-Chapel Hill
 - BCBSNC
 - ValueOptions (BCBSNC's behavioral health subcontractor)
 - Autism Speaks

Applied Behavioral Analysis for Autism Spectrum Disorder

- Considerations

- Provider credentialing and diagnosis
- Evidence based treatments/therapy
- Development of medical policy and utilization management programs

- Financial Impact

- HB 498 Actuarial Note projects Plan costs =
 - \$3.3 to \$5.1 million in FY 2014-15
 - \$6.1 to \$12.7 million annually in the long term
- To be updated based on benefit design recommendation

Reduced Copays for Chiropractic Benefit

- **Requestor:** Dr. Joe Siragusa, NC Chiropractic Association
- **Requested Change:** Implement copay parity by reducing the current mid-level copay for chiropractic services to the same level as the office visit copay for primary care providers
 - Enhanced 80/20 plan from \$52 to \$30
 - Traditional 70/30 plan from \$64 to \$35
- **Rationale:** NCCA presented a study based on State Health Plan data that suggests a reduction in costs if parity is implemented.

NC General Assembly Consideration of Chiropractic Copays

- Senate Bill 561 Chiropractor Copay Parity
 - Prohibits health plans from establishing office visits copays for chiropractic services that are higher than the office visit copays for primary care physicians providing a comparable medically necessary treatment or service.
- SB 561 Actuarial Note projects Plan costs =
 - \$2.6 to 3.7 million in FY 2014-15
- Referred to Senate Committee on Insurance

Studies of Chiropractic Services & Costs

- Follow up by Plan staff and Segal actuaries
 - Met with the authors of the NCCA study via conference call
 - Consulted with clinicians/researchers with the Sheps Center for Health Services Research, UNC-Chapel Hill
- Questions remain about study results and conclusions
 - Assumptions about impact of State law changes
 - Use of risk factors
 - Changes in utilization patterns with copay parity
 - No discussion of outcomes

Studies of Chiropractic Services & Costs

- Segal's Findings & Comments
 - Higher copays do present a barrier for some members
 - Cannot conclude that a reduction in the copay would result in savings to the Plan
- Potential Next Steps
 - Submit additional questions to the study authors
 - Request Segal to review chiropractic episodes over an extended period of time to better quantify long-term impact