

PRORATION OF AUTISM CLAIM REIMBURSEMENT

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Senate Bill 1007

Sponsor: Sen. Jones

House Committee: Appropriations

Senate Committee: Appropriations

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BRIEF SUMMARY:

Senate Bill 1007 would amend the Autism Coverage Reimbursement Act (Public Act [PA] 101 of 2012) to allow for proration of the reimbursement of paid claims. The bill would require that money appropriated to the Autism Coverage Fund (ACF) in calendar year 2016 be expended by the Department of Insurance and Financial Services (DIFS) to reimburse insurance carriers or third party administrators using a formula (described below), so long as the following conditions are met:

- The services for which reimbursement is being sought were provided before January 1, 2016.
- The carrier or third party administrator submitted its application to DIFS before May 1, 2016.
- The department has not already provided full reimbursement for the paid claim.
- The department approved of the paid claim before August 1, 2016.

Reimbursements would be made utilizing the following formula: the amount available in the ACF would be divided by the total paid claims approved, and then that proportion would be multiplied by the total of each paid claim submission to determine the reimbursement amount.

PA 268 of 2016 appropriated \$2,225,000 for the ACF, with \$449,900 coming from restricted sources (unexpended/returned from DCH/DHHS) and \$1,775,100 from the General Fund. Section 402 of PA 268 of 2016 stipulates that the \$2,225,000 appropriated for the ACF may be expended by DIFS as provided by PA 101 of 2012.

Senate Bill 1007 would provide for this expenditure. There are currently \$2,636,862 in claims for reimbursement, meaning that 84% of expenditures will be reimbursed under this bill, leaving \$411,862 in paid claims that will not be reimbursed.

FISCAL IMPACT:

The bill would have no net fiscal impact on state or local governments. It would allow for the expenditure of state funds through an appropriation that has already been made.

BACKGROUND INFORMATION:

The autism coverage mandate, under PAs 99 and 100 of 2012, became effective for insurance certificates and policies issued, amended, or renewed on or after October 15, 2012. 2012 Public Act 101 established the Autism Coverage Reimbursement Program (ACRP) administered by DIFS, to reimburse health insurance carriers for paid claims for diagnosis and treatment of autism from the ACF.

Appropriations for the ACF was \$15.0 million GF/GP in FY 2012-13 and \$11.0 million GF/GP in FY 2013-14, with no appropriation for the ACF during subsequent fiscal years. However, \$8.5 million was subsequently appropriated from the ACF within the DCH budget during FY 2014-15 for autism provider education programs and family assistance services, resulting in \$17.5 million in funds available for reimbursement of claims.

A total of 27 carriers (1 insurer, 5 HMOs, 17 group health plans, and 4 third-party administrators) received \$17.4 million in reimbursements for 143,766 claims, between October 2012 and November 2015, with claims and reimbursements substantially rising since the inception of the ACRP. The ACF was depleted by November 24, 2015, with \$2.8 million in outstanding claims as of April 30, 2016.

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