

SENATE BILL REPORT

SB 6530

As of February 2, 2012

Title: An act relating to expanding insurance coverage of neurodevelopmental therapies.

Brief Description: Expanding insurance coverage of neurodevelopmental therapies.

Sponsors: Senators Hobbs, Pridemore, Haugen, Hatfield, Conway, Nelson, Regala, Hill, Delvin, Kohl-Welles, Chase, Rolfes, Roach, Shin and Harper.

Brief History:

Committee Activity: Health & Long-Term Care: 2/01/12.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Staff: Mich'l Needham (786-7442)

Background: Current state insurance law requires group policies to cover neurodevelopmental therapies through age six. Neurodevelopmental therapies includes physical therapy, occupational therapy, and speech therapy. Some therapies are available through the school system for children over age six, but on a limited basis, that is related to educational development. Many families with children with developmental delays or autism spectrum disorders find their children need on-going access to these therapies.

Summary of Bill: Employer sponsored insurance policies, including those offered by the Public Employees' Benefits Board, renewed on or after January 1, 2013, must include coverage for neurodevelopmental therapies through 14. The determination of medical necessary services is changed from the insurer to the licensed medical practitioner. Conditions limiting payment of benefits are modified to remove references to significant deterioration and to restore function, leaving broader language for payable benefits.

Appropriation: None.

Fiscal Note: Requested on January 27, 2012.

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect on January 1, 2013.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Staff Summary of Public Testimony: PRO: It is important for children to have access to these critical therapies that can make a big difference in learning critical skills. Occupational therapy is an evidence-based, goal-oriented focus on skills that children need to succeed. Around age six, many children are just newly diagnosed with issues as the demands of school help identify needs for assistance. It has been well documented that early and ongoing therapy is cost-effective in avoiding more severe disability. Although some therapy is available in school, it is a different focus on therapy than the medical based therapies.

CON: We have concerns with mandate expansions. We have concerns with the shift in this bill with the determination of medical; this language shifts the responsibility from the payer to the medical providers and establishes a new, unwise precedent. These small wording changes have big impacts and obligate the payers to spending they do not have control over. The payers must have the ability to determine the appropriateness. The language also removes references to restorative functions which could open the benefits and cost significantly.

Persons Testifying: PRO: Senator Hobbs, prime sponsor; Diana Stadden, the ARC of WA; Lance Morehouse, the ARC of King County; Mark Gjurasic and Mary Fuhr, WA Occupational Therapy Assn.; Margaret Thompson, parent; Melissa Johnson, Physical Therapy Assn.

CON: Sydney Zvarra, Assn. of WA Healthcare Plans; Mel Sorensen, Assn. of Health Insurance Plans.