

# JOINT BUDGET COMMITTEE BILL

## SUMMARY OF H.B. 15-1186:

### CONCERNING HOME- AND COMMUNITY-BASED SERVICES FOR CHILDREN WITH AUTISM, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

**Prime Sponsors:** Representative Young and Senator Steadman

#### **Bill Summary**

The bill accomplishes five changes to the Children with Autism waiver program:

1. Expands eligibility to add children ages 6 to 8 (Section 1)
2. Allows children who begin receiving services before age 8 to receive a full three years of services, and no more than three years (Section 1)
3. Allows General Fund support and thereby eliminates the current enrollment cap of 75 children (Section 2)
4. Eliminates the annual statutory \$25,000 per child expenditure cap on services and allows the cap to be adjusted through the budget process (Section 3)
5. Provides for an annual evaluation of the effectiveness of services for people with autism (Section 4)

#### **Current Eligibility Criteria**

Currently, to qualify for the autism waiver a child must be eligible for Medicaid, be under the age of 6, have a diagnosis of autism, be at risk of institutionalization, and not in another waiver program. Once qualified, a child must wait until there is room on the waiver before receiving services. Enrollment on the waiver is capped at 75. Pursuant to statute, children on the wait list are prioritized for services based on imminent need. Because the children are at risk of institutionalization, they are considered a family of one and parent income is not considered.

#### **Need for the Legislation**

The proposed legislation is designed to address the following issues:

- **Large waitlist** -- The waitlist for services is four times the size of the enrollment cap of 75. As of November 2014 the number of people on the waitlist for services was 320, the average time on the waitlist before receiving services was 2.5 years, and in the last three years 95 clients on the waitlist aged out of eligibility before receiving services. The Department of Health Care Policy and Financing (HCPF) believes many more people have not signed up for the waitlist due to low expectations that they will receive services.
- **Length of services too short** -- Once people get off the wait list the average length of time they are eligible for services before aging out of the waiver is less than a year. According to HCPF, intensive behavior therapies should be provided for three years to have the greatest impact for children with autism.
- **Age limits don't match window when services are effective** -- The current age cap for the waiver is shorter than the window of time when research indicates services are most effective. HCPF cites guidance from the Lovass Institute that behavioral treatment should be received by age 12 and is most effective between the ages of 2 and 8.
- **Annual expenditure limit doesn't allow provider rate increases** -- The annual expenditure limit of \$25,000 per child has meant no provider rate increases for autism services for several years. If autism service rates were to increase it would diminish the buying power of clients within the annual expenditure limit.

- **Medicaid coverage is less than required by state statute for private insurance plans issued in Colorado** – Section 10-16-104 (1.4), C.R.S., referred to as the Health Insurance Mandated Autism Treatment (HIMAT), requires health plans issued or renewed in Colorado to include coverage of autism services, but Medicaid clients do not have access to these services unless there is room under the enrollment cap. The HIMAT does not apply to self-funded plans governed by the Employee Retirement Income Security Act (ERISA) or plans issued in other states, which is a significant portion of the Colorado insurance market. Health plans offered to Colorado state employees cover these services.

**Projected Enrollment Growth**

If this bill is adopted, enrollment in the Children with Autism waiver program is expected to grow from an average of 68 per month in FY 2014-15 to 549 in June 2016. However, due to provider capacity constraints, the maximum enrollment growth per month in FY 2015-16 is expected to be 50, and so costs in the first ramp-up year are significantly less than in the second year. After the initial ramp-up year, enrollment growth is expected to be much more stable, because to qualify for the waiver a child must not only have a diagnosis of autism but also be at risk of institutionalization.

<b>Projected Enrollment in Children with Autism Waiver</b>			
	FY 15-16	FY 16-17	FY 17-18
Starting Point	68	549	618
July	118	555	624
August	168	561	631
September	218	567	638
October	268	573	645
November	318	579	652
December	368	585	659
January	418	591	666
February	458	597	672
March	498	603	678
April	518	608	683
May	538	613	689
June	549	618	695
Yearly Average	370	588	661

**Financing**

The current source of funds for the Children with Autism program is an annual \$1.0 million statutory transfer from tobacco settlement moneys to the Autism Treatment Cash Fund. The Autism Treatment Cash Fund has accumulated a balance due to children aging out of the program before they fully utilize services. As a result, there is a fund balance that can be used to support the proposed expansion in FY 2015-16. In FY 2016-17 and beyond, the amount available from the Autism Treatment Cash Fund to support the proposed expansion is less (the difference between the \$1.0 million annual transfer and the expected expenditures under current law), and so the General Fund obligation is higher. The appropriation assumes a \$30,000 annual expenditure cap on services per participant in FY 2015-16.

<b>Children with Autism Waiver Expansion</b>			
	FY 15-16	FY 16-17	FY 17-18
Total	<u>\$10,616,568</u>	<u>\$19,042,713</u>	<u>\$22,726,738</u>
General Fund	367,564	8,830,589	10,567,929
Cash Funds	4,840,203	508,566	577,333
Federal Funds	5,408,801	9,703,558	11,581,476