

## The Value of Medicaid Managed Care For Treating Autism Spectrum Disorder

### Background

Over 3.5 million<sup>1</sup> Americans and approximately one in 68<sup>2</sup> children have an Autism Spectrum Disorder (ASD). ASD is the fastest growing developmental disability (DD) for children in the nation.<sup>3</sup> ASD is a treatable, but non-curable DD which includes three conditions: Autistic Disorder, Pervasive Developmental Disorder not otherwise specified (PDD-NOS), and Asperger Syndrome. Health care costs for a person with ASD exceed that of non-ASD individuals by approximately \$17,000 - \$21,000 annually.<sup>4</sup> For example, Applied Behavioral Analysis (ABA), which is the most popular ASD treatment, costs between \$25,000 and \$70,000 per person annually.<sup>5</sup>

### Health Risks in ASD Populations

#### Individuals with ASD:<sup>6</sup>

- Have difficulties accessing specialty care.
  - Approximately 33% of children with ASD experience problems accessing specialty care compared to 20% of children with other special health care needs.
- Have 18% higher unmet health needs than non-ASD individuals.
- Utilize health services at a rate significantly greater than non-ASD individuals.
  - Annual outpatient visits per child (41.5% vs. 3.3%), annual physician visits per child (8.0% vs. 2.2%), and number of medications prescribed annually (21.8% vs. 2.1%).
  - On average, children with ASD have more outpatient clinic (5.6 vs. 2.8), psychiatric (2.2 vs. 0.3), and pediatric (2.3 vs. 1.6) visits per year.
- Experience greater rates of psychiatric and medical comorbidities than their non-ASD counterparts.

### Proving the Value of Managed Care

Compared with the traditional fee-for-service (FFS) system, Medicaid Managed Care (MMC) can provide improved coordination, quality, and access to health care for ASD individuals<sup>7</sup> and reduce per-member-per-month (PMPM) pharmacy costs by approximately 10-15%.<sup>8</sup>

#### Individuals with ASD who are enrolled in managed care organizations (MCOs):

- Experience increased access to sustainable, effective, and coordinated health care compared with individuals receiving ASD-related services in FFS arrangements.<sup>9</sup>
- Report a lower percentage of unmet health needs compared with individuals receiving ASD-related services in FFS arrangements.<sup>10</sup>
- Report higher levels of access to specialty providers compared with individuals receiving ASD-related services in FFS arrangements.<sup>11</sup>
- Reduce state Medicaid expenditures on high cost ASD-related services.<sup>12</sup>

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<sup>1</sup>Ostrow, N. (2014). Autism Costs More Than \$2 Million Over Patient's Life. Retrieved from <http://www.bloomberg.com/news/articles/2014-06-09/autism->

<sup>2</sup> NCSL. (2015). Insurance Coverage for Autism. Retrieved from <http://www.ncsl.org/>.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> Dixon, V. (2014). CMS Seeks to Clarify Coverage for Autism Treatment Under Chip, Medicaid. Modern Healthcare.

<sup>6</sup> Chiri, G., and Warfield, M. (2012). Unmet Need and Problems Accessing Core Health Care Services for Children with Autism Spectrum Disorder. Maternal and Child Health Journal.

<sup>7</sup> AHIP. (2016). Ensuring Access to Quality Behavioral Health Care: Health Plan Examples.

<sup>8</sup> Lewin Group. (2009). Medicaid Managed Care Cost Savings - A synthesis of 24 Studies. Retrieved from <http://www.lewin.com/>.

<sup>9</sup> Autism Speaks. (2016). Interagency Autism Coordinating Committee: Quarterly Meeting Highlights. Retrieved from <https://www.autismspeaks.org/>.

<sup>10</sup> Rubel, L., Heflinger, C., Renfrew, J., and Saunders, R. (2005). Access and Service Use by Children with Autism Spectrum Disorders in Medicaid Managed Care. Journal of Autism and Developmental Disorders.

<sup>11</sup> Sparer, M. (2009). Medicaid Managed Care: Costs, access, and quality of Care. Retrieved from <http://www.rwjf.org>.

<sup>12</sup> Chiri, G., and Warfield, M. (2012). Unmet Need and Problems Accessing Core Health Care Services for Children with Autism Spectrum Disorder. Maternal and Child Health Journal.

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In addition, there are several instances in which Medicaid MCOs have produced cost savings while increasing access to care for ASD-covered populations. In 2014, nine states reported that MCOs increased access to ASD-specific services while containing Medicaid costs.<sup>13</sup>

### **State Experiences Illustrate the Value of Managed Care for ASD Populations**

#### **Tennessee**

TennCare, the state's MMC program:<sup>14</sup>

- Increased the access rate for children who received a TennCare service with an ASD diagnosis by 171% over a five-year period.
- Produced cost savings for the state by replacing costly, ASD-related services such as day-care with community-based alternatives such as case management and medication management.

#### **Kentucky**

Since mandating Medicaid MCOs to provide special autism-related services in 2011:

- Access to ASD-related services throughout the state has increased exponentially.<sup>15</sup>
- The PMPM cost of providing health care to ASD individuals decreased by approximately 1.5%.<sup>16</sup>

#### **Missouri**

Missouri's Medicaid Managed Care Program, HealthNet, employs an innovative sub-program called PROJECT ECHO, which uses technology and education to bridge knowledge gaps between specialists and primary care providers in remote areas served by MCOs.<sup>17</sup>

- By utilizing telemedicine services for ASD-service coordination, PROJECT ECHO has reduced state Medicaid costs and increased rural access to specialty ASD services.<sup>18</sup>

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<sup>13</sup> Trumpet Behavioral Health. (2016). Managed Care Organizations. Retrieved from <http://www.tbh.com/managed-care-professionals/>.

<sup>14</sup> Rubel, L., Heflinger, C., Renfrew, J., and Saunders, R. (2005). Access and Service Use by Children with Autism Spectrum Disorders in Medicaid Managed Care. *Journal of Autism and Developmental Disorders*.

<sup>15</sup> Bergal, J. (2013). Kentucky Medicaid Managed Care. *Modern HealthCare*.

<sup>16</sup> *Ibid.*

<sup>17</sup> Zhou, C. et al. (2016). The Impact of Project ECHO: Patient Outcomes. *Journal of Medicine*.

<sup>18</sup> *Ibid.*