

AMENDED IN ASSEMBLY JUNE 17, 2008

AMENDED IN SENATE MAY 1, 2008

SENATE BILL

No. 1563

**Introduced by Senators Perata and Steinberg
(Coauthors: Senators Alquist and Cedillo)**

February 22, 2008

An act to add and repeal Section 1374.73 of the Health and Safety Code, and to add and repeal Section 10144.55 of the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 1563, as amended, Perata. Pervasive developmental disorders.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires that health care service plan contracts and health insurance policies provide coverage for the diagnosis and medically necessary treatment of severe mental illnesses, including, but not limited to, pervasive developmental disorder or autism, under the same terms and conditions applied to other medical conditions, as specified.

Until July 1, 2010, this bill would require the Department of Managed Health Care and the Department of Insurance to establish the Autism Workgroup for Equitable Health Insurance Coverage, to be comprised of specified persons, for purposes of, among other things, examining issues related to health care service plan and health insurance coverage of pervasive developmental disorder or autism, as defined. The bill would also require those departments and the workgroup to work in conjunction to review the standards and best practice guidelines adopted

by the State Department of Developmental Services on the screening, diagnosis, assessment, intervention, and treatment of pervasive developmental disorder or autism and to develop recommendations on ensuring that health care service plans and health insurers provide appropriate and equitable coverage for those conditions. The bill would require those departments and the workgroup to submit those recommendations to the Legislature no later than July 1, 2009.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature hereby finds and declares all of
2 the following:
- 3 (a) Pervasive developmental disorder or autism are complex
4 medically based neurobiological disorders of unknown etiologies
5 that require distinct types and courses of treatment that are to be
6 covered by all health care service plans and health insurers.
- 7 (b) Existing law requires health care service plans and health
8 insurers to provide coverage for the diagnosis and medically
9 necessary treatment of severe mental illnesses, including, but not
10 limited to, pervasive developmental disorder or autism. However,
11 the roles and responsibilities of health care service plans and health
12 insurers in providing that coverage are not well defined.
- 13 (c) Children and adults with pervasive developmental disorder
14 or autism are frequently not receiving all appropriate interventions
15 to address their conditions through health care service plans or
16 health insurers.
- 17 (d) Citing a lack of consensus about the medical necessity of
18 treatment for pervasive developmental disorder or autism, health
19 care service plans and health insurers often deny coverage to
20 persons with these conditions. In addition, health care service plans
21 and health insurers do not consistently provide access to
22 professionals with adequate training and expertise in pervasive
23 developmental disorder or autism.
- 24 (e) In 2002, in response to direction from the Legislature, the
25 State Department of Developmental Services produced and adopted
26 best practices guidelines to ensure consistency and accuracy in the
27 diagnosis, screening, and assessment of pervasive developmental
28 disorder or autism, and subsequently published the statewide and

1 nationally recognized publication: “Autistic Spectrum Disorders:
2 Best Practice Guidelines for Screening, Diagnosis and
3 Assessment.”

4 (f) In 2005, the State Department of Developmental Services
5 initiated a project, in conjunction with multidisciplinary experts,
6 consumers, stakeholders, and federal resources, including the
7 National Standards Project, to establish recommendations on best
8 practice guidelines for the intervention and treatment of autism.
9 These recommendations will be submitted to the department by
10 December 2008, and shall be included in the review and
11 recommendation process as outlined in Sections 2 and 3 of this
12 act.

13 (g) In 2007, the California Legislative Blue Ribbon Commission
14 on Autism recommended to the Governor and the Legislature that
15 legislation should be enacted to ensure that all health care service
16 plans and health insurers treat autism spectrum disorders as
17 neurological medical conditions (brain-based disorders) and
18 provide the same coverage as afforded to other medical conditions,
19 such as stroke and other neurological disorders.

20 SEC. 2. Section 1374.73 is added to the Health and Safety
21 Code, to read:

22 1374.73. (a) *(1)* In conjunction with the Department of
23 Insurance, the Department of Managed Health Care shall establish
24 the Autism Workgroup for Equitable Health Insurance Coverage,
25 which shall ~~include persons with pervasive developmental disorder
26 or autism, family members of individuals with pervasive
27 developmental disorder or autism, and representatives from
28 organizations who represent persons with pervasive developmental
29 disorder or autism.~~ *The include, but not be limited to, the following:*

- 30 (A) *Persons with pervasive developmental disorder or autism.*
- 31 (B) *Family members of individuals with pervasive developmental
32 disorder or autism.*
- 33 (C) *Representatives from organizations who represent persons
34 with pervasive developmental disorder or autism.*
- 35 (D) *Physicians and surgeons or other health care providers
36 with expertise in pervasive developmental disorder or autism.*
- 37 (E) *Representatives from health care service plans and health
38 insurers.*
- 39 (F) *Other individuals as deemed necessary by the Department
40 of Managed Health Care and the Department of Insurance.*

1 (2) *The* workgroup shall examine any gaps in coverage, the
2 issues surrounding denial of coverage and discrimination, and the
3 implementation of existing law that requires that health care service
4 plan contracts and health insurance policies provide coverage for
5 the diagnosis and medically necessary treatment of pervasive
6 developmental disorder or autism.

7 (b) In conjunction with the Department of Insurance and the
8 workgroup, the Department of Managed Health Care shall review
9 the standards and best practice guidelines adopted by the State
10 Department of Developmental Services on the screening, diagnosis,
11 assessment, intervention, and treatment of pervasive developmental
12 disorder or autism and shall develop recommendations on ensuring
13 that health care service plans and health insurers provide
14 appropriate and equitable coverage for those conditions. The
15 Department of Managed Health Care shall, in conjunction with
16 the Department of Insurance and the workgroup, submit these
17 recommendations to the Legislature no later than July 1, 2009.

18 (c) For purposes of this section, “pervasive developmental
19 disorder or autism” includes any of the pervasive developmental
20 disorders as defined by the most current edition of the Diagnostic
21 and Statistical Manual of Mental Disorders, including autistic
22 disorder, Asperger’s syndrome, Pervasive Developmental Disorder
23 Not Otherwise Specified, Rhett’s syndrome, and childhood
24 disintegrative disorder.

25 (d) This section shall remain in effect only until July 1, 2010,
26 and as of that date is repealed, unless a later enacted statute, that
27 is enacted before January 1, 2011, deletes or extends that date.

28 SEC. 3. Section 10144.55 is added to the Insurance Code, to
29 read:

30 10144.55. (a) In conjunction with the Department of Managed
31 Health Care and the Autism Workgroup for Equitable Health
32 Insurance Coverage, as established pursuant to Section 1374.73
33 of the Health and Safety Code, the Department of Insurance shall
34 review the standards and best practice guidelines adopted by the
35 State Department of Developmental Services on the screening,
36 diagnosis, assessment, intervention, and treatment of pervasive
37 developmental disorder or autism and shall develop
38 recommendations on ensuring that health care service plans and
39 health insurers provide appropriate and equitable coverage for
40 those conditions. The Department of Insurance shall, in conjunction

1 with the Department of Managed Health Care and the workgroup,
2 submit these recommendations to the Legislature no later than July
3 1, 2009.

4 (b) For purposes of this section, “pervasive developmental
5 disorder or autism” includes any of the pervasive developmental
6 disorders as defined by the most current edition of the Diagnostic
7 and Statistical Manual of Mental Disorders, including autistic
8 disorder, Asperger’s syndrome, Pervasive Developmental Disorder
9 Not Otherwise Specified, Rhett’s syndrome, and childhood
10 disintegrative disorder.

11 (c) This section shall remain in effect only until July 1, 2010,
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