

# Report to the Social Services Appropriations Subcommittee

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## Update on Moving Reimbursement for Applied Behavioral Analysis (ABA) services from Fee for Service to Managed Care

Prepared by the Division of Medicaid and Health Financing

June 1, 2021



## EXECUTIVE SUMMARY

This report is submitted in response to the following intent language passed in H.B. 3 Item 52 by the 2021 Legislature:

*The Legislature intends that the Department of Health report to the Social Services Appropriations Subcommittee by June 1, 2021 on the results of negotiations with Medicaid accountable care organizations to include or not autism services.*

### **Summary**

The Department will continue to work with the Accountable Care Organizations (ACO) and Applied Behavior Analysis (ABA) providers to determine if ABA services should be covered by the ACOs beginning in SFY 2023. In addition, if these services are moved to the ACOs in SFY 2023, the Department will calculate the estimated building block necessary for fee for service claims run out.

### **Introduction and Background**

#### Fiscal Year 2013

Medicaid began limited coverage of autism spectrum disorder (ASD) related services.

- Services were delivered through a 1915(c) Home and Community Based Waiver Services (HCBS) program known as the Medicaid Autism Waiver pilot program.
- The waiver was authorized as a three-year pilot program through HB 272, 2012 General Legislative Session.
- Under this program, Applied Behavior Analysis and case management services were provided. Applied Behavior Analysis (ABA) is a well-developed discipline based on a mature body of scientific knowledge and established standards for evidence-based practice. ABA focuses on the analysis, design, implementation and evaluation of social and other environmental modifications to produce meaningful changes in behavior. ABA therapy is based on reliable empirical evidence and is not experimental or investigational.
- The program served approximately 400 children between the ages of two and seven years old.

#### Fiscal Year 2016

The legislature authorized the Medicaid Autism Waiver as an ongoing program, but during this same time period, the Centers for Medicare and Medicaid Services (CMS)

issued an informational bulletin titled *Clarification of Medicaid Coverage of Services to Children with Autism*<sup>1</sup>. The bulletin clarified that all Medicaid programs across that nation are required to cover ASD-related services under the Early Periodic Diagnosis and Treatment (EPSDT) benefit for individuals under age 21. With this new guidance, CMS advised the state that it would not continue to authorize the Medicaid Autism Waiver on an ongoing basis and required Utah to transition the ASD services provided in the waiver to coverage under the EPSDT benefit. This change:

- **Eliminated capped waiver enrollment** - Allowed all Medicaid enrolled individuals with an ASD under 21 to receive ASD-related services
- **Resulted in loss of coverage for some families** - Families whose children may have been previously eligible for Medicaid through more generous HCBS waiver financial eligibility which only considers the income/assets of the child, and not the entire family, were no longer eligible.
- **Clarified ASD-related Occupational, Speech and Physical therapy services are required** – The CMS information bulletin clarified that for EPSDT eligible individuals ASD-related OT/ST/PT are required to be covered with medically necessary.

#### Implementation of Autism-related Services EPSDT Benefit

- **Fee for Service delivery of ABA Services** - Utah's coverage of ABA services was still relatively new and experience was limited to coverage under fee for service HCBS waiver provisions. With this limited experience, the Department determined it did not have sufficient claims and reimbursement history to establish monthly per member per month estimates to allow coverage under a managed care arrangement and provided the benefit under a fee-for-service payment methodology.

#### ***Fee for Service or Managed Care***

For Medicaid members enrolled in an ACO, requests for ASD related medical services including but not limited to physical, occupational and speech therapies are the responsibility of the ACO to cover. In addition, the Medicaid member's Prepaid Mental Health Plan (PMHP) is responsible for services related to co-occurring, mental health conditions.

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<sup>1</sup> <https://www.medicaid.gov/federal-policy-guidance/downloads/cib-07-07-14.pdf>

### ***Carved Out ASD Services***

ASD Diagnostic Services and ABA services are carved out of managed care and are provided on a fee for service basis. There are approximately 1,150 Medicaid members who receive ABA services at a PMPM of \$1,853.93 per month. The estimated cost of these services in SFY 2021 is \$25,593,485.

The ACO rate setting process for a new fiscal year begins with the sharing of utilization data in the fall before the beginning of the new fiscal year. Therefore, rates were already well into development for SFY 2022 at the time this intent language was passed. In addition, when services are transitioned from fee for service to managed care, there is a need to have sufficient funds for fee for service claims run out because under Medicaid, providers have twelve months to submit their claims after the end date of service.

The Department informed the ACOs off this intent language. The Department will work with the ACOs between now and the fall to determine whether to move responsibility for this service to managed care.

In addition to engaging the ACOs in this discussion, the Department will need to work closely with ABA providers (30) to assure a smooth transition of these services from fee for service to the ACOs.