

**SENATE FISCAL AGENCY
 MEMORANDUM**

DATE: December 4, 2015
TO: Members of the Senate Appropriations Committee
FROM: Glenn Steffens, Fiscal Analyst
RE: Autism Program Appropriations

The purpose of this memo is to provide information regarding autism program appropriations and expenditures at the State level.

Since Fiscal Year (FY) 2011-12, the State has appropriated a total of \$41.0 million toward autism programs. State university autism training programs have received \$22.0 million, which consisted of \$15.0 million GF/GP and \$7.0 million from the Autism Coverage Reimbursement Fund. The Autism Coverage Reimbursement Fund was created in PA 101 of 2012 to reimburse insurance carriers for claims relating to the diagnosis and treatment of autism spectrum disorders. The Fund has received a total of \$26.0 million GF/GP, of which \$7.0 million was directed to State universities and \$1.5 million to the Autism Alliance for guiding families to best services, leaving a net fund balance of \$17.5 million. Table 1 summarizes State appropriations for autism programs from FY 2011-12 through FY 2015-16. Table 2 offers a detailed overview of the State university autism appropriations by university and fund source.

The Department of Insurance and Financial Services reported that the Autism Coverage Reimbursement Fund was depleted on November 24, 2015. The Fund has paid \$17.4 million in claims and incurred roughly \$60,000 in administrative expenses (paid from the Fund). Approximately \$2.0 million in submitted claims remain outstanding, and if the Fund receives supplemental funding, those claims will be paid in the order received. Table 3 provides an overview of autism claim payments, including paid claim reimbursements by carrier, and the amount of unpaid claims as of November 24, 2015 (submitted after the Fund was depleted). The amount of claims associated with self-insured plans is unknown.

It is extremely difficult to estimate the amount of money needed to sustain claim reimbursements through the end of the current fiscal year. At an ongoing rate of \$2.7 million in claim submissions per month (the current three-month average), the Fund would need a supplemental appropriation of approximately \$29.0 million to meet claims through FY 2015-16 (including existing unpaid claims). However, an historical look at the submissions indicates that monthly submission amounts likely will continue to increase, meaning that \$29.0 million could be insufficient to meet ongoing demand through FY 2015-16. Since its creation, the Fund has seen substantial increases in claim submissions. For example, in February 2015, total average claims submitted amounted to roughly \$750,000 per month. Again, the current three-month average is \$2.7 million per month: a 72.2% increase from February. Increases in claims are due to many factors, but key factors appear to be that more carriers continue to apply for Autism Coverage Reimbursement Program reimbursements, and carriers already applying have increased submission rates.

Please feel free to contact me with any questions or concerns.

/lms

c: Ellen Jeffries, Director
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Table 1

Summary of State Appropriations for Autism Programs					
Budget Area/Program	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Community Health					
University Autism Programs	\$0	\$500,000	\$11,500,000	\$7,000,000	\$2,500,000
Guiding Families to Best Services	0	0	0	1,500,000	0
Higher Education					
University Autism Programs	500,000	0	0	0	0
Insurance and Financial Services					
Autism Coverage					
Reimbursement Fund	0	15,000,000	11,000,000	(8,500,000)	0
Fiscal Year Totals	\$500,000	\$15,500,000	\$22,500,000	\$0	\$2,500,000
	Total Cumulative Appropriations:				\$41,000,000
Note: The negative \$8.5 million number for FY 2014-15 represents an appropriation transfer from the Autism Coverage Reimbursement Fund to the Department of Community Health, to fund autism programs.					

Table 2

Autism Program Appropriations by University										
	Central Michigan		Eastern Michigan		Michigan State		Oakland		Western Michigan	
Fiscal Year	GF/GP	Restricted (Autism Coverage Fund)	GF/GP	Restricted (Autism Coverage Fund)	GF/GP	Restricted (Autism Coverage Fund)	GF/GP	Restricted (Autism Coverage Fund)	GF/GP	Restricted (Autism Coverage Fund)
2011-12	\$0	0	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2012-13	0	0	500,000	0	0	0	0	0	0	0
2013-14	500,000	0	1,000,000	0	0	0	5,000,000	0	5,000,000	0
2014-15	0	500,000	0	1,000,000	0	1,000,000	0	500,000	0	4,000,000
2015-16	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
Total	\$1,000,000	\$500,000	\$2,500,000	\$1,000,000	\$500,000	\$1,000,000	\$5,500,000	\$500,000	\$5,500,000	\$4,000,000

GF/GP = General Fund/General Purpose

Table 3

Autism Coverage Reimbursement Fund: \$17,500,000		
	Claims Received and Paid	Claims Received and Unpaid
Art Van Furniture	\$8,739.88	\$7,959.70
BCN Service Company	1,590,172.22	0.00
Blue Care Network of Michigan	4,743,110.74	0.00
Blue Cross Blue Shield of Michigan Mutual Insurance Co.	5,038,017.11	352,012.82
Buist Electric	54,317.63	21,253.20
CEC Controls, Inc.	183,594.00	150,729.00
Consumer Products Testing Laboratories	80,824.02	0.00
Consumers Energy Company	4,463.42	4,574.88
County of Washtenaw	13,669.00	0.00
Detroit & Vicinity Trowel Trades H&W Fund	29,657.19	1,318.00
DTE Energy	303,183.75	39,927.50
Emergent Health Partners	145,064.09	37,759.58
Faurecia USA Holding Co.	206,880.62	0.00
FP Horak Employment Services	1,064.00	20,133.91
Grand Valley Health Plan	56,261.10	0.00
Grupo Antolin North America	36,837.64	0.00
Health Alliance Plan of Michigan	2,794,805.11	1,004,728.16
HealthSCOPE Benefits, Inc.	5,732.45	3,826.39
HealthSmart Benefit Solutions	31,148.67	0.00
Lansing Board of Water & Light	0.00	4,618.91
Professional Benefit Services	11,500.79	850.10
The Regents of the University of Michigan	643,389.56	0.00
Revolution Lighting Technologies, Inc.	7,275.00	0.00
The Taubman Company	1,296.50	0.00
Total Health Care USA, Inc.	290,684.27	14,735.81
UnitedHealthcare Insurance Company	5,195.78	0.00
ValueOptions	1,124,646.91	368,929.77
Vector CANtech, Inc.	29,933.75	0.00
Totals	\$17,441,465.20	\$2,033,357.73
Fund Administrative Expenses	\$58,534.80	
Total Fund Amount Remaining as of 11-24-15	\$0.00	