

**White Paper**  
Applied Behavior Analysis  
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## **Introduction/Summary**

On July 7<sup>th</sup>, 2014, the Center for Medicare and Medicaid Services (CMS) released guidance (CIB 07-07-2014) on approaches available under the federal Medicaid program for providing medically necessary diagnostic and treatment services to children with Autism Spectrum Disorder (ASD). CMS is not singling out Applied Behavior Analysis (ABA) or any other specific treatment in its directive to states, but is indicating the services must be comprehensive and include behavioral intervention. The Division of Health Care Financing and Policy (DHCFP) is proposing coverage for ABA services for categorically needy individuals under age 21; identifying Early and Periodic Screening, Diagnostic and Treatment (EPSDT) as the coverage authority.

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## **Background**

New data from the Centers for Disease Control and Prevention (CDC) estimates that one in 68 children has been identified with ASD. The sudden increase is widely debated with little consensus on the reasons. However; evidence is mounting that providing behavioral and therapeutic services early in the life of a child with ASD does result in improved communication, behavior and social skills. Research indicates the earlier the treatment begins the greater the chance for improvement, while the child's brain and social reasoning is still developing. Treatment in the early years can be the difference in education, medical and life long care. While treatment plans are established with early intervention and the public school system, gaps exist in coverage and services due to funding or availability of therapy models. The State of Nevada mandates insurers provide some level of autism coverage, yet due to the level of intense one-on-one therapy and costly medications health insurance benefits also have challenges. Nevada's Division of Aging and Disability Services provides a monthly allotment to assist with on-going treatment for children with autism from 18 months through 18 years of age. The program currently has a waiting list of 373 individuals. The 2008 report of Nevada Autism Task Force identified that in the absence of coverage the out-of-pocket expenses for a family can cost upwards of \$50,000 per year.

Nevada Medicaid does not currently reimburse for services provided by a Behavior Analyst under the Medicaid State Plan. Historically reimbursement for behavioral intervention has not been reimbursed under Medicaid.

In June of 2014 CMS approved a State Plan Amendment (SPA) under "other licensed practitioner" benefit category as the coverage authority to address services for ASD for the States of Louisiana and Washington. These states are expanding services to provide ABA to all Medicaid-eligible children under age 21 when medical necessity is met. The authority chosen by the aforementioned states was due to the fact that at the time the SPA was submitted the states did not have behavior analysts as licensed providers; instead they relied on national certification for credentialing. In accordance with NRS 641.0247, "Practice of applied behavior analysis means the design, implementation and evaluation of environmental modifications using behavioral stimuli and consequences to produce socially significant improvement in human behavior, including, without limitation, the use of direct observation, measurement and functional analysis of the relations between environment and behavior. The term includes the provision of behavioral therapy by a behavior analyst, assistant behavior analyst or autism behavior

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interventionist.” ABA is widely used evidence based, effective treatment plan for children with ASD.

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## **Problem Statement**

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Nevada Medicaid does not currently reimburse for ABA services under the Medicaid State Plan. To date only two states have received approval from CMS under the coverage authority of “other licensed practitioner”, a third state is in the process of public comment for a SPA under the coverage authority “preventive services”. The DHCFP has been in contact with the three states to identify provider licensure category, services provided, billing codes, medical necessity criteria and utilization management processes used. Understanding behavioral intervention services under the State Plan are new to Medicaid and are uncharted waters, specific CPT codes for ABA are not yet approved and guidance is limited, the DHCFP identifies the following items for consideration:

1. The primary lessons learned by other states are:
  - Qualified provider enrollment is not meeting the demand for service, with little to no enrollment in the rural areas;
  - More robust policy language is needed regarding provider qualifications, treatment plans, and coverage and limitations;
  - It is difficult to track utilization management because billing codes are not specific to ABA.
2. The DHCFP evaluated the billing codes and budgets used by Louisiana and Washington to develop the fiscal analysis. The parameter between the states has been different with little claims data available, creating unknowns with the financial impact.
3. Due to the fact Nevada Medicaid has not provided ABA services under state plan or a waiver there is currently no claims mechanism in place for this service requiring the development, testing, and implementation in the Medicaid Management Information System (MMIS).
4. This is an expansion of services and the DHCFP would propose an agency recommended budget for approval.

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## **Proposed Solution/Discussion Points**

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The goal of the DHCFP is to meet compliance with CMS to ensure medically necessary services are provided to children where ABA is an appropriate treatment, including children with ASD. A project plan has been developed to allow for reimbursement of ABA services provided by a qualified professional under EPSDT. The considerations include:

1. Workshops to gain stakeholder input in policy development of medical coverage policy, reimbursement, and provider qualifications.
  - a. Medical Coverage Policy - Coverage and limitations, treatment plan, documentation, and levels of care etc.
  - b. Reimbursement - Billing codes, new CPT codes in 2015, rates, and units of care etc.
  - c. Provider qualifications – Who can provide care, supervision, scope etc.
2. Continued follow up and meetings with other States on utilization management.

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3. Production Discrepancy Report will be created for the Medicaid Management Information System development and functionality.
  4. Ongoing communication with CMS for guidance.
  5. Risks and benefits have been established and will be evaluated regularly.
  6. The project plan includes timeline and measurable objectives that will be monitored regularly.
  7. Provider training is essential and will be supported with billing guides and web announcements.
  8. Updates will be provided weekly to DHCFP Administration.
  9. The DHCFP continues to monitor the fiscal impact for Louisiana and Washington. Current expenditures are less than budget projections due to the limited provider access; however the states are seeing an uptake in utilization as much as 20 percent in the last month. While there is a lag in claims data the information available for Louisiana suggests ABA services averaging \$70,000 a year per member. Any new information is provided to the DHCFP fiscal team for review and adjustment to the DHCFP fiscal analysis.
  10. Upon CMS approval of the SPA and implementation of policy, the DHCFP proposes to conduct ongoing reviews of utilization management and monthly meetings in an effort to evaluate the challenges and successes of the service. Revisions would be completed as necessary.

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## **Conclusion**

DHCFP proposes coverage for ABA services for categorically needy individuals under age 21. Coverage for ABA services under EPSDT would provide medically necessary services to children where ABA is an appropriate treatment. The expansion of services would ensure compliance with CMS, maintaining access to high quality care, and assist in filling the gaps with early intervention, and school and community programs.

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## **References/Resources**

<http://www.cdc.gov/ncbddd/autism/treatment.html>

CMS Information Bulletin (CIB 07-07-2014)

CMS approval letter SPA LA 14-06

“Applied Behavior Analysis –Based Therapy Services (LAC 50:XV Chapters1-7)” - Louisiana Register Vol. 40, No. 02 February 20, 2014

CMS approval letter SPA WA 13-05

2008 Nevada Autism Task Force Report