



CLIENT NEWS BRIEF

August 2011

Number 38

ANTHEM AND BLUE SHIELD AGREE TO COVER THERAPY FOR AUTISTIC CHILDREN

Anthem Blue Cross (“Anthem”) and Blue Shield of California (“Blue Shield”), two of California’s largest health insurers, have recently agreed to pay the initial costs of a particular type of behavioral therapy for autistic children. Both insurers reached settlement agreements with the California Department of Managed Health Care, agreeing to cover a minimum of six months of the costly therapy known as applied behavioral analysis (“ABA”).

ABA is a popular autism therapy that trains autistic children through the identification of behaviors that should be eliminated and behaviors that should be taught and reinforced. The therapy may also include a specific type of intervention known as “discrete trial training” that teaches skills by breaking each skill down into its discrete parts. ABA therapy, which is sometimes provided for up to forty hours a week, can cost more than \$70,000 each year. The costs of ABA are often paid by school districts and the Department of Developmental Services. The Anthem and Blue Shield agreements could potentially lessen the financial burden on districts required to fund these costly therapies for children with autism.

Anthem and Blue Shield initially resisted paying for ABA, arguing that the therapy was not a medical treatment. Instead, the medical insurers maintained that ABA was an educational or social service, and therefore, was excluded from coverage. According to officials, Anthem and Blue Shield settled with the Department of Managed Health to avoid penalties or other enforcement proceedings. While the parties reached agreement, the insurers have not acknowledged any wrongdoing.

Both insurers have agreed to cover at least six months of ABA for HMO patients, provided that the services are deemed “medically necessary” by healthcare providers. However, the settlement agreements require ABA providers to be licensed or, alternatively, to be supervised by a licensed ABA provider. California does not issue a state license for ABA therapy, and some advocates opposed to the recent settlements have argued that it will be difficult to find licensed medical professionals willing to supervise a therapist providing ABA services. However, many school psychologists have the appropriate training and are licensed. These school psychologists will likely be able to provide the required supervision for the treatment.

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Copies of the [settlement agreements](#) can be found on the Department of Managed Care's website [here](#).

If you have any questions about the recent settlement agreements or special education generally, please contact one of our [eight offices](#) located statewide or consult our [website](#).

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