

Outfront

Employers are finding "they have a hell of a lot of parents with kids with autism."

—Jeff Sell, Autism Society

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AUTISM ENTERS INTO THE EQUATION

One in 110 babies are born with autism, according to the CDC, and now more employees are seeking coverage.

When Michael Kulstad's son Cameron was diagnosed with autism at age 4, Kulstad knew he faced years of expensive medical treatment. At the time, he worked for the federal government, which covered unlimited occupational therapy visits for Cameron.

Unfortunately, his next employer, an international law firm, didn't provide such comprehensive coverage. Kulstad struggled to coordinate care for his son and manage the red tape involved in getting just part of Cameron's therapy covered. "There's so much paperwork that they throw at you that it's frustrating. You don't know what's covered and what's not," says Kulstad, whose son, now 9 years old, is mainstreamed in school but is pulled out of class for therapy.

Kulstad eventually left that firm to become senior manager for media relations at McGuireWoods, a law firm in Washington, D.C., that annually solicits employee proposals on ways to improve benefits.

In his pitch to add autism benefits, Kulstad compiled the latest research data on the disorder and described care for Cameron. The statistics helped make Kulstad's case, says Christina Smith, chief human resources officer for McGuireWoods. The Autism Society of America says autism is the fastest-growing developmental disorder in the United States, and the latest figures from the U.S. Centers for Disease Control and Prevention show one in 110 babies born in the U.S. have the disorder. It is even more common for boys, at a rate of one in 70 births.

"We were pleased to be educated by Mike in terms of the need for this enhancement," Smith says. Last January, McGuireWoods expanded its autism benefits package, including coverage for the speech, occupational and counseling therapies that Cameron needs.

Unlike other chronic medical conditions diagnosed in childhood, autism is sometimes mislabeled as a learning disability and doesn't qualify for coverage under some insurance plans. The National Institutes of Health defines autism as "a developmental disorder that appears in the first

roots organization, drafted proposed legislation urging states to make autism benefits mandatory for insurance plans governed under the Employee Retirement Income Security Act of 1974, commonly known as ERISA. Autism Speaks, another advocacy group, proposed similar legislation, and the two organizations are working together at the state level.

Since then, 23 states have mandated autism coverage with such initiatives currently making their way through 22 other state legislatures and the District of Columbia. Five states are not currently consider-



MICHAEL KULSTAD
SUCCESSFULLY
PERSUADED HIS
EMPLOYER TO
OFFER AUTISM
BENEFITS.

Michael Kulstad and his son Cameron.

three years of life and affects the brain's normal development of social and communication skills."

Depending on the severity of the disorder, treatments could include medication and various forms of therapy, including occupational, physical, speech-language, vision and sensory integration, a term that refers to the way the nervous system receives messages from the senses and turns them into appropriate motor and behavioral responses. Because autism is a highly individualized disorder, medical care is tailored to each case.

In 2009, the Autism Society, a grass-

ing introducing such bills.

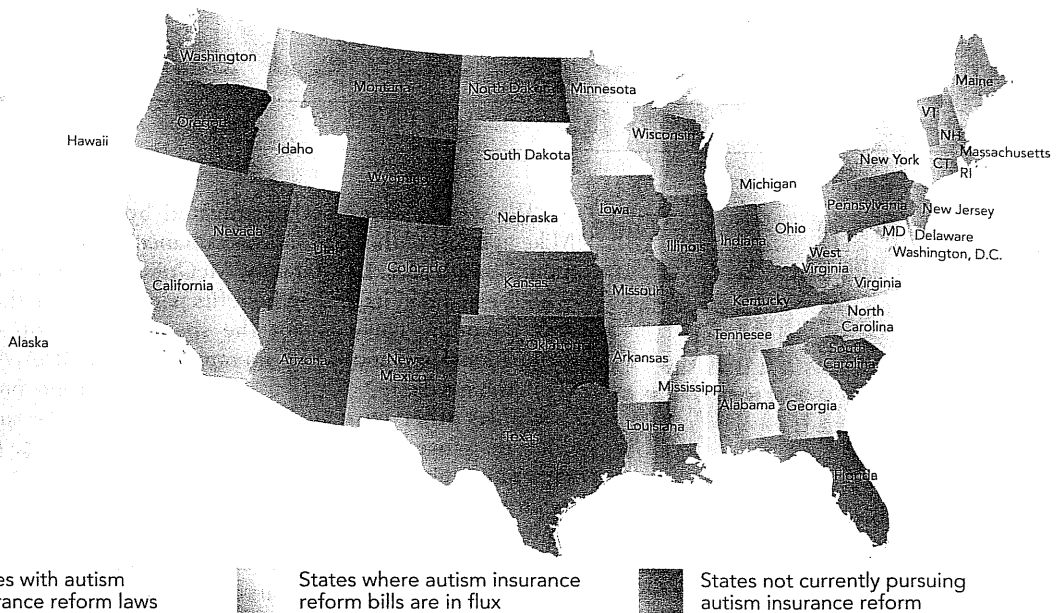
But state mandates aren't a panacea for parents of autistic children. The laws can't require companies with self-funded insurance plans, such as McGuireWoods, to offer autism coverage. ERISA exempts such plans—in which employers directly assume most of or the entire cost of health insurance for their employees—from compliance with state insurance laws. Fifty-nine percent of all covered workers are now in self-funded insurance plans, according to the Kaiser Family Foundation *Employer Health Benefits* survey for 2010.

Few large companies with self-funded

WHICH STATES HAVE AUTISM COVERED?

Twenty-three states now have autism coverage laws on the books, and 22 more plus the District of Columbia have introduced autism insurance reform bills. Only five states are not currently pursuing autism insurance reform.

Source: Autism Speaks



Note: In October, New York Gov. David Paterson vetoed the state's autism treatment insurance bill. The governor said he'd sign the bill if the Legislature designated a source of funding to cover the estimated \$70 million in state and municipal costs.

plans currently offer autism insurance benefits. Autism Speaks lists 22 on its website that do cover autism, including DTE Energy Co., a Detroit-based gas and electric utility services company, and technology companies such as Cisco Systems Inc., Microsoft Corp. and Yahoo Inc. "The failure to require health insurance coverage for workers with autistic children will continue to take its toll on businesses and lead to a loss of productivity," said Anthony Earley Jr., the current executive chairman and then-CEO of DTE Energy, at a hearing in June on autism's effects on the state of Michigan. This past summer, DTE announced that it would offer autism benefits to its 10,000 workers, with full implementation expected by January 2011.

The state legislation is sparking greater awareness and interest in autism benefits. "A few companies have asked us for our thoughts and opinions because they are finding out they have a hell of a lot of parents with kids with autism," says Jeff Sell, vice president of public policy for the Autism Society.

Douglas Nemecek, the national medical director of behavioral health for Cigna Corp., the Philadelphia-based insurance company, also receives more inquiries from companies about autism benefits. Some employers "recognize the significant impact the autism spectrum disorder is having on the employees and their family," he says. "On the other side, they are balancing that with concerns for

the cost of these treatments, especially with the cost associated with the intensive Applied Behavior Analysis treatment," which is individualized behavior-based therapy. The Council for Affordable Health Insurance in Alexandria, Virginia, reports that adding autism coverage increases the cost of insurance by about 1 percent.

Autism treatment can indeed be expensive. "It can cost up to \$72,000 per year for various therapies and other treatments associated with early intervention," says Sell of the Autism Society, himself the father of two teenage boys with autism. For example, the American Academy of Pediatrics and the U.S. Surgeon General's Office recommend Applied Behavior Analysis as an early intervention, which can cost more than \$20,000 annually. The direct and indirect costs of caring for an individual with autism total an estimated \$3.2 million over the person's lifetime, according to a 2006 study by the Harvard School of Public Health.

Cisco Systems monitors its health care costs and has seen a small increase because of its autism benefits, says Lisa Jing, program manager for behavioral health at Cisco who helped develop the autism benefit. But of greater concern are the indirect costs of lost worker productivity, she adds. "When we look at the total costs, we feel it's been a very, very worthwhile investment."

Like the law firm McGuireWoods, Cisco Systems began offering autism

benefits at the request of employees with autistic children. When it added the benefits in 2007, it capped annual coverage at \$30,000 and lifetime benefits at \$90,000.

Some 40 employees have taken advantage of Cisco's autism benefits so far. In light of mental health parity laws mandated by the federal government this year, Cisco no longer has an annual or lifetime benefit maximum for autism treatments. In addition, any family member on Cisco's health plan who is diagnosed with autism, not just children, is eligible for the benefits.

Cisco and other companies see autism benefits as a recruiting tool. "Autism strikes all socio-economic levels, all ethnicities," Jing says. "So, it is directly related" to being competitive in benefits.

Smith, from McGuireWoods, also hopes to use the benefit for future recruitment efforts. "We look forward to the opportunity to talk to new recruits about this enhanced benefits offering."

For now, the law firm's autism benefits have played a role in retaining at least one employee. "I told somebody once: It's pretty hard to knock your employer when they do something like this for you. I'm grateful to work here," Kulstad says. "When I left my previous place of employment, the struggles in having to get Cameron's care covered were a factor in me leaving. I don't think about that here."

—Rita Colorito