



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** S. 1067 Introduced on March 1, 2018  
**Author:** Cromer  
**Subject:** SC Covering Autism Responsibility for Everyone  
**Requestor:** Senate Banking and Insurance  
**RFA Analyst(s):** Gable  
**Impact Date:** March 14, 2018

**Estimate of Fiscal Impact**

	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>State Expenditure</b>		
General Fund	Undetermined	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
<b>Local Expenditure</b>	\$0	\$0
<b>Local Revenue</b>	\$0	\$0

**Fiscal Impact Summary**

This bill will have a non-recurring undetermined expenditure impact on the General Fund in FY 2018-19 as appropriations for initial capital injection for the Palmetto Trust Fund is at the discretion of the General Assembly.

**Explanation of Fiscal Impact**

**Introduced on March 1, 2018**

**State Expenditure**

This bill establishes the South Carolina Covering Autism Responsibility for Everyone (SC CAREs) Program, within the state’s Health Insurance Pool (Pool). This program is to be maintained wholly separate from the rest of the pool and be self-sustaining. The program must be funded by the Palmetto Autism Trust Fund (PATF). The Board for the Pool must select an administrating insurer to manage the program.

This bill will require an initial capital injection to establish the Palmetto Trust Fund from an appropriation, the amount of which will be determined by the General Assembly. Therefore, the non-recurring expenditure impact of this bill is undetermined as it is at the discretion of the General Assembly to determine how much, if any, funding to appropriate.

The Palmetto Autism Trust Fund’s revenues will be used to fund the SC CAREs Program. The program will offer coverage for state residents under the age of twenty-one who have been diagnosed with autistic spectrum disorder (ASD) at eight years or younger. Enrollment in the program is limited by the funds available in the Palmetto Autism Trust Fund.

Currently, the state requires insurance coverage for ASD for children under the age of sixteen. Additionally, Medicaid, Medicare, and PEBA all cover ASD with no age limitations. Therefore, this bill would most likely impact children aged sixteen to twenty with ASD who are unable to find sufficient health insurance coverage elsewhere. Based on US Census Bureau data for 2016, there are approximately 322,000 residents in the state between ages sixteen and twenty. The SC Autism organization reports that as of 2014 the autism prevalence rate in American children was 1.46 percent, or 2.38 percent in males and 0.53 percent in females. Therefore, of the 322,000 residents aged sixteen to twenty, approximately 4,775 are diagnosed with ASD, 1,843 aged sixteen to seventeen, and 2,932 aged eighteen to twenty. For purposes of this calculation, the analyst assumes that all 4,775 were diagnosed with ASD prior to age eight, as the average age for diagnoses is four, according to the Autism Speaks Organization.

This analysis calculates the number of children covered by SC Medicaid, Medicare, the Veterans Affairs (VA), Public Employee Benefit Authority (PEBA), the private market, and those who are uninsured to determine those most likely to need assistance through the SC CAREs program. Insurance coverage data were obtained from the Census Bureau and PEBA. We estimate percentage of insurance coverage in two age brackets as the percentage uninsured in the eighteen to twenty year old bracket is significantly higher than for the sixteen to seventeen age bracket.

Based on the analysis of the children age sixteen to seventeen in this state with ASD, 5.70 percent, or 105, are uninsured, and 42.6 percent, or 785, are privately insured. Additionally, of the children age eighteen to twenty in this state with ASD, 20.0 percent, or 587, are uninsured and 51.2 percent, or 2,287, are privately insured. The remaining 1,796 are covered by either some form of public insurance or PEBA. Therefore, we estimate there are 692 children in this state with ASD, aged sixteen to twenty, that are uninsured and an additional 2,287 that are privately insured.

According to the Autism Speaks Organization, average annual healthcare and education cost for a child with ASD is \$17,000. Therefore, the 692 uninsured children with ASD in this state are incurring \$11,764,000 annually in out-of-pocket costs for healthcare and education. Additionally, the 2,287 privately insured children with ASD may be incurring costs of \$38,879,000 for healthcare and education, annually. However, there may be some private insurance companies that offer some insurance coverage for ASD services, so privately insured children with ASD may not be paying for all treatments out-of-pocket. The SC CAREs program would have to determine how many of these children would be accepted into the program, what services would be covered, and how much to charge in premiums and deductibles, among other factors, that would impact the overall spending of the program.

Additionally, the program would have an expenditure for the administrating insurer to manage the program. This cost cannot be determined until the details of the program and the amount of initial funding are established. Based on an actuarial report on ASD insurance coverage, produced by L&E Actuaries and Consultants, the average administrative costs is twelve percent of the benefits. Also, the Department of Insurance (DOI) anticipates assisting in the setup of the program, which can be managed by existing staff within existing appropriations. Therefore, DOI

anticipates no expenditure impact on the General Fund, Other Funds, or Federal Funds of the agency.

To recap, this bill will have a non-recurring undetermined expenditure impact to the General Fund to establish the initial capital needed to establish the Palmetto Trust Fund in FY 2018-19. The amount of the capital injection into the Trust Fund is at the discretion of the General Assembly. Once the Trust Fund is established to support the SC CAREs program it should be self-sustaining and have no future expenditure impact on the General Fund, Other Funds, or Federal Funds. Additionally, DOI's assistance in establishing the SC CAREs program could be managed with existing staff and appropriations for the agency. Therefore this bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds for DOI.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



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Frank A. Rainwater, Executive Director