COMMITTEE REPORT

March 14, 2018

**S. 1067**

Introduced by Senators Cromer, Scott, Bennett, Gambrell, Hutto, Williams and Alexander

S. Printed 3/14/18--S.

Read the first time March 1, 2018.

**THE COMMITTEE ON BANKING AND INSURANCE**

To whom was referred a Bill (S. 1067) to amend the Code of Laws of South Carolina, 1976, to enact the “South Carolina Covering Autism Responsibly for Everyone (SC CAREs) Act”; by adding Section 38, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, by striking SECTION 2 and inserting:

/ SECTION 2. Chapter 74, Title 38 of the 1976 Code is amended by adding:

“Section 38‑74‑65. (A) There is created the South Carolina Covering Autism Responsibly for Everyone (SC CAREs) Program within the pool to offer coverage for the treatment of autism spectrum disorder. The program must be funded by the Palmetto Autism Trust Fund pursuant to Section 11‑11‑250 and must be self sustaining and financially independent from the remainder of the pool. The board shall not include or consider the financial aspects of the SC CAREs Program when determining assetments under this chapter.

(B) To be eligible for coverage under the SC CAREs Program, an individual must:

(1) have been diagnosed with autism spectrum disorder as defined under the then current or any previous versions of the Diagnostic and Statistical Manual of Mental Disorders; and

(2) be a resident of South Carolina for one year prior to applying for coverage;

(C) The board shall oversee the SC CAREs Program and must select an administering insurer through a competitive bidding process in accordance with the requirements of Section 38‑74‑40 to administer the program. The administering insurer must:

(1) establish accounting policies and an appropriate reserve level for the Palmetto Autism Trust Fund;

(2) hire independent actuarial support from a qualified member of the American Academy of Actuaries to develop and publish actuarially determined annual premium rates that are self sustaining and actuarially sound. The rates may be adjusted by characteristics determined by the actuary;

(3) establish a schedule of medical benefits for the treatment of autism spectrum disorder consistent with coverage for persons enrolled in the plan available to state employees;

(4) develop case management procedures and other managed care requirements;

(5) perform the appropriate services outlined in Section 38‑74‑40(C);

(6) develop and implement a public awareness program; and

(7) coordinate with other insurance plans, including Medicaid, so that all eligible individuals as defined in Section 38‑74‑65(B) benefit from the SC CAREs Act as a secondary insurer to their other coverage for the treatment of autism spectrum disorder.

(D) Beginning January 1, 2019, the board or the administering insurer shall begin accepting and processing applications and awarding the premium assistance provided for in this section in the order in which the applications are received and in accordance with the criteria established in subsection (E). Enrollment in the SC CAREs Program is limited by the funds available in the Palmetto Autism Trust Fund and any anticipated premium in order to prevent a loss in program operations.

(E) To the extent sufficient funds exist in excess of the reserve level of the Palmetto Autism Trust Fund, the SC CAREs Program shall apply premium assistance to lower the premium amount charged to enrollees. The board must develop criteria for the determination of the amount of assistance applied, which may include the availability and affordability of other coverage, excluding Tax Equity and Fiscal Responsibility Act (TEFRA) eligibility, available to the enrollee for the treatment of autism spectrum disorder. In no case may the premium assistance exceed the actual cost of an enrollee’s premium.

(F) The board is authorized to initiate periodic transfers from the Palmetto Autism Trust Fund necessary to:

(1) cover claims costs;

(2) provide the appropriate amount of premium assistance credited against the premium owed by the enrollees;

(3) provide for the administration of the program; and

(4) maintain the solvency of the program.

(G) The board or the administering insurer must review the program’s finances and trends quarterly and take appropriate actions regarding enrollment, premium assistance levels, and the Palmetto Autism Trust Fund reserve level to ensure solvency. The program may not be funded by the funding mechanisms of another product or program of the pool.

(H) The board shall create a grievance and appeal process to resolve claim disputes that may be brought by an enrollee or on their behalf by a legal guardian. This process shall at least include an appeal and external review and must be as comprehensive as the protections afforded to enrollees by other programs governed by the board.

(I) On December 1, 2019, and every December first thereafter, the board must report to the Department of Insurance the number of citizens who have applied for SC CAREs coverage, the number of citizens enrolled, premium assistance levels, premium costs to enrollees and any identified barriers in the delivery of coverage. The report also shall include the budgetary costs of the SC CAREs Program, the financial status of the Palmetto Autism Trust Fund, any recommendations for program improvement, and a three‑year forecast of utilization and costs of the program. A copy of this report shall be provided to the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, the Chairman of the Senate Banking and Insurance Committee, and the Chairman of the House Labor, Commerce and Industry Committee and shall be made available to the public.

(J) This section does not establish or authorize creation of an entitlement program or benefit.”/

Renumber sections to conform.

Amend title to conform.

RONNIE W. CROMER for Committee.

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, TO ENACT THE “SOUTH CAROLINA COVERING AUTISM RESPONSIBLY FOR EVERYONE (SC CARES) ACT”; BY ADDING SECTION 38‑74‑65 SO AS TO ESTABLISH THE SOUTH CAROLINA COVERING AUTISM RESPONSIBLY FOR EVERYONE PROGRAM, TO PROVIDE FUNDING FOR THE PROGRAM, TO PROVIDE ELIGIBILITY REQUIREMENTS FOR THE PROGRAM, AND TO AUTHORIZE THE AWARD OF PREMIUM ASSISTANCE FOR APPROVED APPLICANTS; AND BY ADDING SECTION 11‑11‑250 SO AS TO CREATE THE PALMETTO AUTISM TRUST FUND.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. This act must be known and may be cited as the “South Carolina Covering Autism Responsibly for Everyone Act”.

SECTION 2. Chapter 74, Title 38 of the 1976 Code is amended by adding:

“Section 38‑74‑65. (A) There is created the South Carolina Covering Autism Responsibly for Everyone (SC CAREs) Program within the pool to offer coverage for the treatment of autism spectrum disorder. The program must be funded by the Palmetto Autism Trust Fund pursuant to Section 11‑11‑250 and must be self sustaining and financially independent from the remainder of the pool. The board may not include or consider the financial aspects of the SC CAREs Program when determining assets under this chapter.

(B) To be eligible for coverage under the SC CAREs Program, an individual must:

(1) have been diagnosed with autism spectrum disorder at eight years old or younger;

(2) be a resident of South Carolina for one year prior to applying for coverage; and

(3) be under twenty‑one years of age.

(C) The board shall oversee the SC CAREs Program and must select an administering insurer through a competitive bidding process in accordance with the requirements of Section 38‑74‑40 to administer the program. The administering insurer must:

(1) establish accounting policies and an appropriate reserve level for the Palmetto Autism Trust Fund;

(2) hire independent actuarial support from a qualified member of the American Academy of Actuaries to develop and publish actuarially determined annual premium rates that are self sustaining and actuarially sound. The rates may be adjusted by characteristics determined by the actuary;

(3) establish a schedule of medical benefits for the treatment of autism spectrum disorder consistent with coverage and trends in the commercial market;

(4) develop case management procedures and other managed care requirements;

(5) perform the appropriate services outlined in Section 38‑74‑40(C); and

(6) develop and implement a public awareness program.

(D) Beginning January 1, 2019, the board or the administering insurer shall begin accepting and processing applications and awarding the premium assistance provided for in this section in the order in which the applications are received and in accordance with the criteria established in subsection (E). Enrollment in the SC CAREs Program is limited by the funds available in the Palmetto Autism Trust Fund and any anticipated premium in order to prevent a loss in program operations.

(E) To the extent sufficient funds exist in excess of the reserve level of the Palmetto Autism Trust Fund, the SC CAREs Program may apply premium assistance to lower the premium amount charged to enrollees. The board must develop criteria for the determination of the amount of assistance applied, which may include family income, age, and the availability and affordability of other coverage available to the enrollee for the treatment of autism spectrum disorder. In no case may the premium assistance exceed the actual cost of an enrollee’s premium.

(F) The board is authorized to initiate periodic transfers from the Palmetto Autism Trust Fund necessary to:

(1) cover claims costs;

(2) provide the appropriate amount of premium assistance credited against the premium owed by the enrollees;

(3) provide for the administration of the program; and

(4) maintain the solvency of the program.

(G) The board or the administering insurer must review the program’s finances and trends quarterly and take appropriate actions regarding enrollment, premium assistance levels, and the Palmetto Autism Trust Fund reserve level to ensure solvency. The program may not be funded by the funding mechanisms of another product or program of the pool.

(H) On December 1, 2019 and every December first thereafter, the board must report to the Department of Insurance the number of citizens enrolled, premium assistance levels, premium costs to enrollees and any identified barriers in the delivery of coverage. The report also shall include the budgetary costs of the SC CAREs Program, the financial status of the Palmetto Autism Trust Fund, any recommendations for program improvement, and a three‑year forecast of utilization and costs of the program. A copy of this report shall be provided to the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, the Chairman of the Senate Banking and Insurance Committee, and the Chairman of the House Labor, Commerce and Industry Committee.

(I) This section does not establish or authorize creation of an entitlement program or benefit.”

SECTION 3. Article 1, Chapter 11, Title 11 of the 1976 Code is amended by adding:

“Section 11‑11‑250. There is created in the State Treasury the Palmetto Autism Trust Fund. This fund is separate and distinct from the general fund of the State and all other funds. Earnings and interest on this fund must be credited to it and any balance in this fund at the end of a fiscal year carries forward in the fund in the succeeding fiscal year. The fund only may be appropriated to operate the South Carolina Covering Autism Responsibly for Everyone program pursuant to the provisions of Section 38‑74‑65.”

SECTION 4. This act takes effect upon approval by the Governor.

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