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Insurance Commissioner Dave Jones Announces Settlement with Blue Shield to Ensure Autism Coverage

Insurance Commissioner Dave Jones announced today that he has reached a favorable settlement agreement with Blue Shield of California Life and Health Insurance Company to secure immediate coverage of behavioral therapy for autism as a medical benefit.

Last July the California Department of Insurance under Commissioner Jones' leadership filed an enforcement action against Blue Shield seeking compliance with the state's Mental Health Parity Law, which requires coverage for medically necessary behavioral therapies, including Applied Behavior Analysis Therapy (ABA), a well-recognized and effective treatment for autism.

"We want to acknowledge the importance of Blue Shield's agreement to end their dispute with the Department of Insurance over coverage of ABA therapy as a life-saving medical benefit for autistic children," said Commissioner Jones. "This favorable settlement agreement eliminates the frustration and insecurity so many families have faced when seeking autism treatment for their children."

As a result of filing the enforcement action and reaching this agreement, the Department obtained Blue Shield's agreement to cease:

- denying ABA therapy as a non-covered service
- challenging the medical necessity of ABA therapy
- forcing parents into an unnecessary Independent Medical Review to secure treatment

Blue Shield has agreed to establish a dedicated customer service unit to respond quickly to inquiries from families seeking approval of medically necessary ABA therapy, and to pay for services at the higher in-network benefit levels.

"By taking this action, the Department of Insurance has put the entire health insurance industry in California on notice that denials of coverage for behavioral health treatment, including ABA therapy, must stop," said Commissioner Jones. "Existing state law requires and has required health insurers to provide coverage for autism-we will continue to vigorously enforce that law and expect other health insurers to comply immediately."

The Department of Insurance consistently has overturned health insurer denials of autism coverage for several years now, enforcing the existing Mental Health Parity Act. Last year, the Legislature passed SB 946 (Steinberg) to underscore the requirements of the Mental Health Parity Act. Health insurers have sought to recharacterize the Legislature's intent in passing SB 946 by arguing that its passage means they were not required previously to provide autism coverage. The settlement today confirms that autism coverage was required before SB 946 and that Commissioner Jones will continue to require health insurers to provide such coverage to those families and individuals seeking it prior to the effective date of SB 946.

The Order is also available to the public.

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