April 11, 2018

Edmund F. Haislmaier
Preston A. Wells, Jr. Senior Research Fellow
The Heritage Foundation
214 Massachusetts Ave NE
Washington DC 20002-4999

Re: The Value of Habilitation Services and Devices

Dear Mr. Haislmaier:

The undersigned organizations are writing as members of the Habilitation Benefits (HAB) Coalition in response to remarks you made at the National Journal's State of Obamacare briefing March 22, 2018 at the Watergate. During the essential health benefits (EHB) discussion you stated that habilitation is the biggest cost driver of EHBs and is not medical care, but instead social services. We fundamentally disagree with your remarks. This mischaracterization could leave attendees and consumers in need of habilitation with the incorrect impression that habilitation services and devices are not medically necessary and do not warrant insurance coverage.

The HAB Coalition is a group of national nonprofit consumer and clinical organizations focused on ensuring appropriate access to, and coverage of, habilitation services and devices, including benefits within the EHB category known as "rehabilitative and habilitative services and devices" under Section 1302 of the Affordable Care Act.

Before coverage of habilitative services and devices was mandated in federal law as medically necessary, some, but not all, employer-sponsored health plans offered coverage for rehabilitation services and devices. Coverage of habilitation services and devices often encompasses the same clinical interventions for the same functional impairments as rehabilitation, typically those that are simply the result of congenital conditions (such as cerebral palsy, spina bifida, congenital hearing loss, etc.); however, that coverage was inconsistent among payers. In fact, only a handful of states had adopted coverage requirements for habilitative services in the individual market. Since the enactment of the EHBs, the clinical, as well as economic, value of habilitative and rehabilitative services has been widely acknowledged, and access to these services has been expanded to ensure that those with a medical need receive them. In fact, the National Association of Insurance Commissioners (NAIC) acknowledges in the NAIC-developed Uniform Glossary that habilitative services are *medically necessary*. This glossary—adopted by the US Department of Health and Human Services (HHS)—accompanies the Summary of Benefits and Coverage provided to millions of consumers with employer-sponsored and individual plans. [1,2]

[1] https://www.cms.gov/CCIIO/Resources/Forms-Reports-and-Other-Resources/
[2] https://www.healthcare.gov/sbc-glossary/#medically-necessary

One of the criticisms of the EHB requirement is that it significantly increases premiums; however, evidence suggests that other factors may have a greater impact on premiums. For example, Milliman provides an estimate of the total cost of providing selected hearing services, speech-language therapy, hearing supplies, devices, and related professional services in a commercial employer group population, noting a utilization rate of approximately one per thousand, with PMPM (per member per month) claim costs of approximately $1.48 for 2014. These estimates are based on current levels of coverage, eligibility, and benefit design.[3] Furthermore, a recent analysis indicates the elimination of the EHBs would not notably trim the cost of monthly premiums.[4] Instead, costs borne by consumers would increase considerably. The analysis also finds that rehabilitative and habilitative care represent only 2% of the premium.

The following vignettes help to illustrate the medical need and value of habilitation:

Cleft Palate

Jessica is a two-year old child with a bilateral cleft palate that was surgically repaired at 11 months of age. She presented with speech sound production errors and excessive nasality that impaired her ability to communicate. Jessica's care is coordinated by a cleft palate/craniofacial team that includes a plastic surgeon, an orthodontist, an SLP, a pediatrician, and additional providers. The SLP assesses articulation, language, voice, and resonance and determines the presence of articulation deficits and nasal emission that requires speech-language treatment weekly. Treatment goals focus on correct articulatory placement to address sound errors, nasality of speech, and oral airflow. With appropriate speech language treatment, Jessica will learn techniques to improve her speech intelligibility, allowing her to communicate with others at an age-appropriate level. Professional collaboration with the craniofacial team and a coordinated care plan ensure that Jessica achieves maximum functional communication.

Cochlear Implants

Raul was diagnosed with congenital hearing loss as a young child, but did not have access to hearing aids until age ten. He attended a school for the deaf and hard of hearing, and his primary language is American Sign Language. As an adult, Raul decided to undergo cochlear implant surgery and learn spoken language. He works with an audiologist and SLP on open-set speech recognition with amplification. The prognosis from the interdisciplinary cochlear implant team—based on Raul's motivation, progress in therapy, and use of lip-reading and technology—is fair for receptive language abilities. His cochlear implant and related new skills will assist him with communication in the workplace and community.

[3] Milliman is an actuarial consulting firm with offices worldwide.

[4] Blumberg, Linda and Holahan J. (2017). Urban Institute and The Robert Wood Johnson Foundation. *The Implications of Cutting Essential Health Benefits: An Analysis of Nongroup Insurance Premiums under the ACA*. Retrieved from https://www.rwjf.org/en/library/research/2017/07/the-implications-of-cutting-essential-health-benefits.html?cid=xem_other_unpd_ini:qs7_dte:20170710.

In closing, each of these vignettes represent real-life instances where access to habilitation services and devices has maximized the health, function, and independence of those who have been able to access these medically necessary services.

The undersigned organizations remain steadfast in their support for the continued coverage of rehabilitative and habilitative services and devices within the individual and small group insurance markets.

We are dedicated to ensuring that Americans continue to have access to affordable, high-quality and patient-centered health insurance coverage and reject your assertion that habilitation services and devices neither medically necessary and are the biggest cost driver of EHBs.

Thank you for your consideration of our views. Should you have further questions regarding this information, please contact Peter Thomas, coordinator for the HAB Coalition, by e-mailing Peter.Thomas@PowersLaw.com, or by calling 202-466-6550.

Sincerely,

The Undersigned Members of the HAB Coalition
ACCSES
American Academy of Physical Medicine and Rehabilitation
American Association on Health and Disability
American Heart Association
American Occupational Therapy Association
American Physical Therapy Association
American Speech-Language-Hearing Association
American Therapeutic Recreation Association
Autism Speaks
Beckett Family Consulting
Brain Injury Association of America
Christopher & Dana Reeve Foundation
Clinician Task Force
Hearing Loss Association of America
Lakeshore Foundation
The Arc of the United States
United Spinal Association