

United States Senate

WASHINGTON, DC 20510

March 8, 2016

The Honorable Ashton B. Carter
Secretary
United States Department of Defense
The Pentagon
Washington, DC 20301

Dear Secretary Carter:

We are writing to express our great concern about the Defense Health Agency's (DHA) proposal to reduce TRICARE reimbursement rates in 2016 for Applied Behavior Analysis (ABA) therapy to beneficiaries diagnosed with Autism Spectrum Disorder (ASD). These rate cuts are expected to become effective on or around March 30, 2016, and will likely result in a substantive reduction in access to crucial ABA services for the more than 26,000 children of our military personnel and retirees with ASD. We, therefore, ask that you postpone these reimbursement rate cuts until valid reimbursement rates for ABA providers have been established.

The current autism coverage under the TRICARE program began as a demonstration program on July 25, 2014 and is scheduled to end on December 31, 2018. The demonstration was designed to combine three different TRICARE programs that covered ABA services for beneficiaries into a single program with one uniform benefit. Among the objectives of the demonstration is to expand access to these services among TRICARE beneficiaries, especially active duty dependents.

While we appreciate the need to monitor and address Defense Health Program costs, we are concerned that the new reimbursement rates are based on two DHA-commissioned studies, by RAND Corporation and Kennell and Associates, each of which calculated very different reimbursement rates. With such disparate conclusions, our confidence in the proposed reimbursement rates is limited.

Despite these questionable conclusions, DHA has proposed a reduction of as much as 15% annually in reimbursement rates for ABA services, when the RAND study noted that the proposed rates are 35% below the national average. This ABA reimbursement rate cut is on top of a 5% cut in ABA services rates that affected 22 states and the District of Columbia in TRICARE's North Region in 2015. The current proposed reimbursement cuts seem particularly injurious to TRICARE beneficiaries in locations where demand for autism services outstrips supply. The RAND study also noted that there are locations near large military bases throughout the United States where there is no access to ABA services at all. This study is corroborated by a recent study on military children with autism published in the Journal of Autism and Developmental Disorders, which found significant difficulties with availability and access to needed services.

With the announced cuts, some ABA providers have already announced plans to leave certain service areas and we expect more providers will follow suit upon implementation of the cuts. Over time, given the disparity between the national average reimbursement rate and TRICARE's

proposed rates, we expect the imbalance between supply and demand to further reduce military family access to these ABA services.

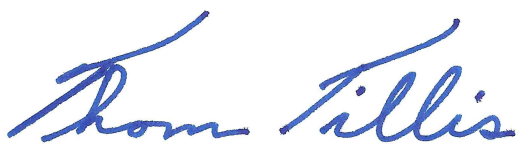
We are also concerned about the accuracy of data DHA is collecting about the demonstration program. To make changes in the reimbursement rate in the middle of the demonstration program will likely skew the results of the demonstration, especially as it relates to evaluating access, utilization, and the value of these TRICARE services. Ironically, the 15% reduction in reimbursement rates occurs at a time when public and private insurance payors are increasing access to autism services, as 43 states have now mandated autism coverage.

Additionally, DHA's proposed reimbursement rate cuts come at the same time DHA is imposing new certification requirements on all Behavior Technicians (BT) providing ABA services to TRICARE beneficiaries. While these certification requirements will ensure that TRICARE beneficiaries obtain ABA services from qualified technicians, they also impose additional costs on TRICARE ABA service providers. Certification may extend as many as 130 additional days to the time it takes to hire, train, and credential BTs to serve TRICARE beneficiaries. When considering that BTs are typically part-time employees with high turnover rates, these certification requirements will likely exacerbate the impact of reimbursement rate reductions.

For these reasons, we ask that the proposed ABA reimbursement rate reductions prescribed by the DHA be immediately postponed pending careful re-evaluation of the existing research on reimbursement rates, and consideration of additional rigorous study, particularly with regard to reimbursements for paraprofessionals. We urge that you take this action immediately before providers leave the TRICARE ABA services market and begin to no longer accept new TRICARE eligible ABA therapy patients. The children of our service men and women deserve nothing less.

Thank you very much for your attention to this request.

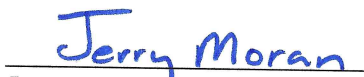
Sincerely,



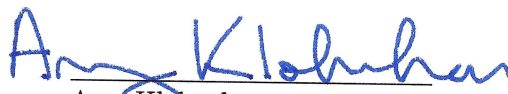
Thom Tillis
United States Senator



Kirsten Gillibrand
United States Senator



Jerry Moran
United States Senator



Amy Klobuchar
United States Senator

CC: The Honorable Brad C. Carson
Vice Admiral Raquel C. Bono