Group Insurance Board
c/o Board Liaison
Department of Employee Trust Funds
PO Box 7931
Madison, WI 53707-7931

3/16/18

Re: Plan Participant:
Claimant:
Insurance: Group Health Cooperative
Plan No.:

Dear Members of the Group Insurance Board:

I am writing to request review and oversight of contracted health insurance companies regarding application of the habilitation services benefit for speech-language pathology.

Beginning in 2016, the State of Wisconsin Group Health Insurance Board contracted with insurance companies to provide habilitation services. This contract update included a corresponding increase in premiums. The change to include habilitation services was a significant one, as prior to 2016 only rehabilitation services were covered. The State of Wisconsin Group Health Insurance Program Certificate of Coverage defines habilitation services as "health care services that help a person keep, learn or improve skills and functioning for daily living. Examples include therapy for a child who isn't walking or talking at the expected age. These services may include physical and occupational therapy, speech-language pathology and other services for people with disabilities in a variety of inpatient and/or outpatient settings." The State of Wisconsin Group Insurance Board minutes from 7/21/16 further clarify that illness or injury is not required to meet criteria for habilitation services, and that change is reflected in the 2017 and 2018 Certificates of Coverage.

The definition of medical necessity in the State of Wisconsin Group Health Insurance Program Certificate of Coverage **does not** include a standard score cut-off for determining degree of disability, delay, or disorder. However, a standard score cut-off (20% below 85) is being applied by the Utilization Management department at GHC, and possibly by other contracted insurance companies as well. Use of this standard score cut-off for determining medical necessity is problematic for the following reasons:

1) Application of a standard-score cut-off to determine medical necessity is not consistent with evidence-based practice. According to the American Speech-Language-Hearing Association website there is "no clear consensus regarding the best way to determine the severity of a speech sound disorder," and severity is "a qualitative judgment made by the clinician that indicates the significance of the speech sound disorder on the child's communication functioning in daily activities." The people most qualified to determine whether treatment speech-language pathology treatment is medically necessary are speech-language pathologists. Many insurance chief medical officers lack this expertise.
2) The standard score cut-off that is being used by the Utilization Management Department of GHC is not consistent with the psychometric theory that underlies standardized testing. GHC refers to their

standard-score cut-off as "20% below the normal range." The average range on these tests is defined as within one standard deviation of the mean. For most standardized tests, the average is 100 and the standard deviation is 15, which results in an average range of 85-115. A child who scores 85 is within the average range, but the average score for the test is still 100. The average score on a standardized test is the score at which 50% of people fall above that score and 50% of people fall below that score. On a standardized test, 85 is quite different from 100, as the percentile rank moves from 50% to 16%. At a standard score of 85, only 16% of same-age peers score lower than that person. Further requiring a 20% decrease from 85 brings that required standard score to 68, which results in a percentile rank of 2%. The current standard that is being used by GHC to determine medical necessity means that **only 2% of people would qualify as having a deficit requiring treatment**.

3) Using a fixed standard-score cutoff ignores the standard error of measurement. The standard error of measurement estimates how repeated measures of a person on the same test tend to be distributed around his/her "true" score. The "true" score can never be known, because no test provides a perfect reflection of the individual's abilities. Therefore, it is standard clinical practice to use 90% or 95% confidence intervals to estimate the range within which the person's true score falls rather than relying on a single number.
4) The Utilization Management Department at GHC told me the standard-score cut-off they are using is based on a national standard from the American Academy of Family Physicians. I requested documentation of this national standard and it was not provided. The GHC grievance committee then cited this standard as one of the reasons they denied the appeal: "our understanding is that the Cooperative's standard was based on sound medical criteria, including the American Academy of Family Physicians" (1/9/18). When I followed up again to request documentation of this standard, I received the following response, "as to the criteria, I wanted to apologize to you on that. I think the committee misunderstood what was shared with you by Nita as well as the discussion with our CMO. That AAFP criteria just gives kind of general standards. It doesn't specifically list that 20%, basing the 20% off the lower end of the criteria like we do. That's our internal policy" (1/17/18).

All contracted insurance companies who accepted the State of Wisconsin Group Health Insurance Board 2016 contract update agreed to provide habilitation services for speech-language pathology. GHC, and perhaps others, then applied a standard for medical necessity that excludes 98% of people from receiving these services, is not based on evidence-based practice, and is based on flawed quantitative methodology. Standard scores that would truly be 20-25% below average would be 75-80, and 5-9% of the population would qualify for services. I wonder if application of the current standard for medical necessity, such only 2% of people qualify for treatment, is consistent with the letter and intent of the State of Wisconsin Group Health Insurance Board 2016 contract update?

In addition to the problems with using this standard-score cut-off to determine medical necessity, GHC's internal policy regarding medical necessity for speech-language pathology (1/30/17), is not in compliance with the 2016 State of Wisconsin Group Health Insurance Board contract update. For example, the internal policy states that speech therapy services are only available "when the disorder results from illness or injury," and that the "disorder must be caused by a new disease, injury, or medical condition." In addition, "services for the evaluation, diagnosis, or treatment of cognitive, neurological and/or developmental problems, and/or delays that are not a result of illness or injury" are specifically excluded. This internal policy was updated in 2017, after the 2016 contract update, and is still not in compliance with habilitation services as a contracted benefit.

Finally, the internal policy also states that speech therapy "must not be duplicative (If member's needs are met through school based services, then non-school based services would be denied)." This exclusion, in

combination with the standard score cut-off, **effectively excludes all school-aged children from habilitative speech therapy coverage.** Children in Wisconsin meet criteria for school-based speech therapy when they score less than 1.75 standard deviations below the mean (SS = 74), and children in Minnesota meet criteria for school-based speech therapy when they score less than 2.0 standard deviations below the mean (SS = 70). Since the standard score cut-off being used by GHC is not based on a national standard, is not consistent with evidence-based practice, and is not consistent with psychometric theory, I am concerned that it may have been implemented specifically to avoid providing the contracted benefit to school-aged children.

Finally, it is not appropriate to exclude children from receiving a contracted benefit on the basis that the service is available through the school system. Children are not excluded from receiving other contracted benefits (e.g., outpatient mental health treatment, flu shots, hearing screening, etc.) because that service is available within the school. Contracted benefits should be available to all individuals with insurance coverage. If an individual is eligible for a contracted benefit and the service is also available through the school system, the individual should have freedom to make a choice regarding which service location will best meet their needs. In the case of speech therapy for example, a child who is struggling academically may benefit more from outpatient speech therapy than from school-based services that reduce classroom time. I agree that services should not be duplicative, but the choice of which service to utilize should be made by the covered individual.

Based on this information, I offer the following recommendations:

1) The Group Insurance Board should review the internal speech therapy policies of all contacted insurance companies to determine whether they are in compliance with the 2016 contract update requiring coverage for habilitation services.
2) Contracted insurance companies whose internal speech therapy policies are found to be out of compliance with the 2016 contract update should over-turn all prior authorization denials for speech therapy beginning January 1, 2016.
3) The Group Insurance Board should ask the American Speech-Language-Hearing Association (ASHA) to consult and assist in developing policies for determining medical necessity for habilitative speech therapy. ASHA has confirmed that they are willing to consult with private health plans to write such policies. The Group Insurance Board should continue to provide oversight until all contracted insurance companies are in compliance with the 2016 contract update.
4) CMO's and utilization management staff at all contracted insurance companies should be required to document completion of training in application of the habilitation services benefit.

I appreciate your thoughtful consideration of my concerns. Please let me know if you need any additional information and/or documentation.

Sincerely,