

Habilitative services under health reform faces uncertainty, new analysis says

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Despite their inclusion as essential health benefits, habilitative services face an uncertain future under the Affordable Care Act, according to a new analysis done at the George Washington University School of Public Health and Health Services (SPHHS).

Many parents of children with [developmental disabilities](#) have trouble getting insurance coverage for habilitative services which can help their children keep, learn or improve their skills and daily functioning. The new analysis, by Sara Rosenbaum, JD, the Harold and Jane Hirsh Professor of Health Law and Policy at SPHHS, finds that considerable ambiguity regarding the scope and extent of coverage can be expected as a result of the initial implementation of the [health reform](#) law.

Under the U.S. Department of Health and Human Services approach to implementation, states are given the first level of authority to define habilitative services. But rather than fashioning a default definition in the absence of state law, the federal government will allow health plans to both define the parameters of coverage and also, to potentially scale back coverage for habilitative services in favor of broader coverage for rehabilitation services. Rehabilitative services are aimed at restoring a child's skills or functioning and may not help them acquire new skills or achieve optimal development. The discretion given to health plans to both define the habilitative services benefit and pursue substitution practices in the absence of state requirements to the contrary raises important issues for individuals and families, as well as for providers of critically important services related to the treatment and management of

developmental disabilities, said Rosenbaum.

"Currently, 37 states have laws that require insurers to cover at least some level of habilitative treatment for specific classes of patients such as children with [autism spectrum disorders](#)," said Rosenbaum. "But most states do not yet appear to have adopted the National Association of Insurance Commissioners model definition, and most have not yet addressed the question of whether insurers will be required to achieve coverage parity between habilitative and rehabilitative services."

The Lucile Packard Foundation for Children's Health commissioned the issue brief, Habilitative Services Coverage for Children Under the Essential Benefit Provision of the [Affordable Care](#) Act. "Developmental disabilities affect nearly one in seven children nationally," said Edward Schor, MD, senior vice president of programs and partnerships for the foundation. "Many of these [children](#) and their families will rely on the essential health benefit guarantee of coverage for habilitative services. Because states play such a key role in setting the terms of essential [health](#) benefit coverage, this issue assumes major importance as implementation of insurance reform moves forward."

Provided by George Washington University

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