



PERSONNEL AND  
READINESS

UNDER SECRETARY OF DEFENSE  
4000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-4000

FEB 11 2015

The Honorable John McCain  
Chairman  
Committee on Armed Services  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

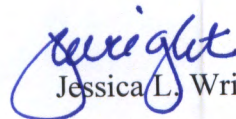
The enclosed semiannual report provides the current status of the Department of Defense Enhanced Access to Autism Services Demonstration, as requested by page 672 of the Joint Explanatory Statement, accompanying S. 3001 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Public Law 110-417). Specifically, this report includes: 1) the number of autistic children served, 2) cost data, 3) the number of available providers by region, and 4) whether reimbursement levels are sufficient to retain qualified providers in TRICARE networks.

Current results indicate participation by beneficiaries and partners continues to increase. We believe these increases reflect conditions where reimbursement rates are acceptable to providers. This is allowing for increased capacity to meet the needs of enrolled TRICARE beneficiaries.

While this report specifically discusses the Autism Services Demonstration, the Department is actively implementing a new comprehensive Applied Behavior Analysis (ABA) tiered-model demonstration under the demonstration authority of title 10, United States Code, section 1092. The demonstration began July 25, 2014, upon expiration of the 1-year ABA Pilot authority and provides all TRICARE-covered ABA services under one new component outside the constraints of the TRICARE Basic Program, the Extended Care Health Option Autism Demonstration, and the ABA Pilot for TRICARE eligible dependents with a diagnosis of Autism Spectrum Disorder.

Thank you for your interest in the health and well-being of our Service members, veterans, and their families. A similar letter is being sent to the other congressional defense committees.

Sincerely,

  
Jessica L. Wright

Enclosure:  
As stated

cc:  
The Honorable Jack Reed  
Ranking Member



**UNDER SECRETARY OF DEFENSE**

4000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-4000

PERSONNEL AND  
READINESS

FEB 11 2015

The Honorable Mac Thornberry  
Chairman  
Committee on Armed Services  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

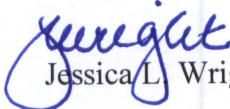
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Sincerely,

  
Jessica L. Wright

Enclosure:  
As stated

cc:  
The Honorable Adam Smith  
Ranking Member



**UNDER SECRETARY OF DEFENSE**

**4000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-4000**

**PERSONNEL AND  
READINESS**

FEB 11 2015

The Honorable Thad Cochran  
Chairman  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

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Sincerely,

  
Jessica L. Wright

Enclosure:  
As stated

cc:  
The Honorable Barbara A. Mikulski  
Ranking Member



UNDER SECRETARY OF DEFENSE  
4000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-4000

PERSONNEL AND  
READINESS

FEB 11 2015

The Honorable Harold Rogers  
Chairman  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

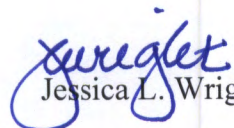
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Sincerely,

  
Jessica L. Wright

Enclosure:  
As stated

cc:  
The Honorable Nita M. Lowey  
Ranking Member

# Report to Congressional Defense Committees



## The Department of Defense Enhanced Access to Autism Services Demonstration July 2014 Semiannual Report to Congress

**In Response to: The Joint Explanatory Statement accompanying the  
Duncan Hunter National Defense Authorization Act for Fiscal Year 2009  
(Public Law 110-417)**

The estimated cost of this report or study for the Department of Defense is approximately \$8,100.00 for the 2014 Fiscal Year. This includes \$8,100.00 in expenses and \$0.00 in Department of Defense labor.  
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# **STATUS OF THE DEPARTMENT OF DEFENSE ENHANCED ACCESS TO AUTISM SERVICES DEMONSTRATION**

## **EXECUTIVE SUMMARY**

This semiannual report is in response to page 672 of the Joint Explanatory Statement to accompany the Duncan Hunter National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2009 (Public Law 110-417). The Joint Explanatory Statement requested the Secretary to provide an initial report to Congress not later than 90 days after the enactment and semiannually thereafter on the status of implementation of the TRICARE demonstration.

## **INTRODUCTION**

In response to section 717 of the John Warner NDAA for FY07 (Public Law 109-364, October 17, 2006), the Department of Defense used the authority under title 10, United States Code, section 1092, to conduct a demonstration within the Extended Care Health Option (ECHO). The demonstration's goal is to improve the quality, efficiency, convenience, and cost effectiveness of providing services to eligible Active Duty Family members (ADFM) diagnosed with Autism Spectrum Disorder (ASD). A key feature of the demonstration was the authority under section 1092 to provide reimbursement for the one-on-one Applied Behavior Analysis (ABA) services rendered by an individual who is not a TRICARE-authorized provider. Such a non-certified individual is referred to in the demonstration as an "ABA tutor."

To increase access and test the advisability and feasibility of authorizing TRICARE reimbursement for ABA services delivered by non-professional providers, the Department developed and implemented the Enhanced Access to Autism Services Demonstration. The key feature of the demonstration is providing ABA for ASD by a two-tiered delivery model:

- Certified "supervisors" provide oversight of care plans. These individuals are certified by the Behavior Analyst Certification Board (BACB) at the Board Certified Behavior Analyst (BCBA) and have a contractual relationship with TRICARE, either individually or as an employee of a TRICARE-authorized provider; and
- Non-certified individuals (i.e. "Tutors") provide "hands on" ABA therapy under the supervision of a BCBA. Tutors are paid through their supervisor.

The Demonstration was initially implemented on March 15, 2008. Administrative requirements of the Demonstration were substantially revised and implemented on September 10, 2008. In addition, section 732 of the NDAA for FY09 increased the limit of government liability for certain benefits, including Special Education, from \$2,500.00 per month to \$36,000.00 per year. That change was implemented on April 1, 2009.

## RESULTS

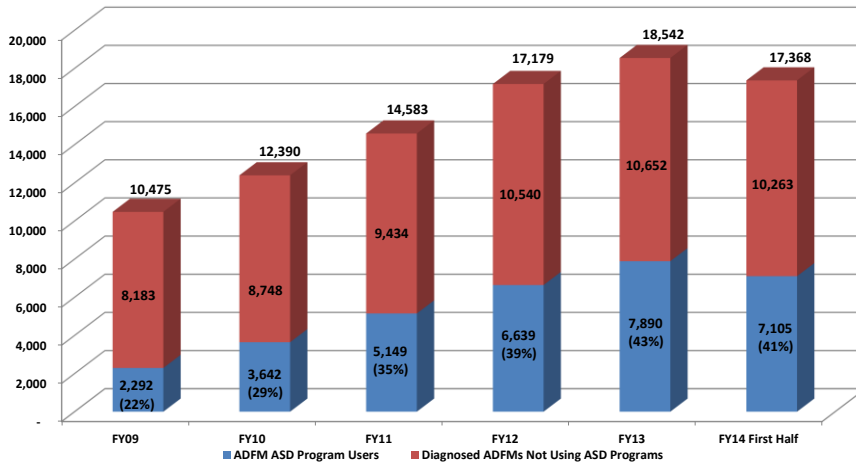
### Utilization and Cost

The annual number of ADFM beneficiaries with an ASD diagnosis using the ECHO or Basic ABA programs has more than tripled between FY09 and FY13 (from 2,292 users to 7,890) increasing at an average annual rate of 36 percent. While the annual growth rate in users has remained positive, it has declined over time. Users increased by 59 percent between FY09 and FY10, by 41 percent between FY10 and FY11, by 29 percent between FY11 and FY12 and by 19 percent between FY12 and FY13. Comparing the rate of growth between the first six months of FY13 and the first six months of FY14, the rate of growth has further declined to 9 percent. No growth is observed between the last six months of FY13 and the first six months of FY14.

With robust growth rates for ASD users of 41 percent in FY11, 29 percent in FY12 and 19 percent in FY13, it is important to understand how much room there is for potential program growth in the future. One approach is to examine the proportion of current ADFM beneficiaries diagnosed with ASD who are currently getting ECHO and Basic ABA therapy services. To estimate the total number of ADFM beneficiaries diagnosed with ASD in a given year, we queried direct and purchased care claims files and determined the number of ADFM beneficiaries ages 2 to 17 with two or more separate claims that have an ASD diagnosis in any position (i.e. principal or secondary diagnosis).

We observe that in FY09 there were an estimated 10,475 ADFMs diagnosed with ASD and 2,292, or 22 percent, were using TRICARE ASD services. BY FY13, the number of ADFMs using TRICARE ASD services had increased by 244 percent to 7,890. However, because the number of ADFMs diagnosed with ASD had also increased--by 77 percent to 18,542--only 43 percent were using TRICARE ASD services. Because 57 percent of ADFMs diagnosed with ASD are currently not using TRICARE ASD services, we think that it is likely that program use will continue to grow in the future. Chart 1 demonstrates that there is ample room for future program growth (the red area on top of bars). By the first half of FY14 there have been 7,105 ASD service users recorded indicating that 41 percent of those diagnosed with ASD were using such services. We note that for FY14, both the number of ADFMs diagnosed with ASD and using ASD service are only for the first half of the fiscal year (6 months) compared with 12 months of FY13. Once we have claims for the second half of FY14, we expect that the number of ADFMs diagnosed with ASD will exceed FY13 values, and it is likely users will as well (Chart 1).

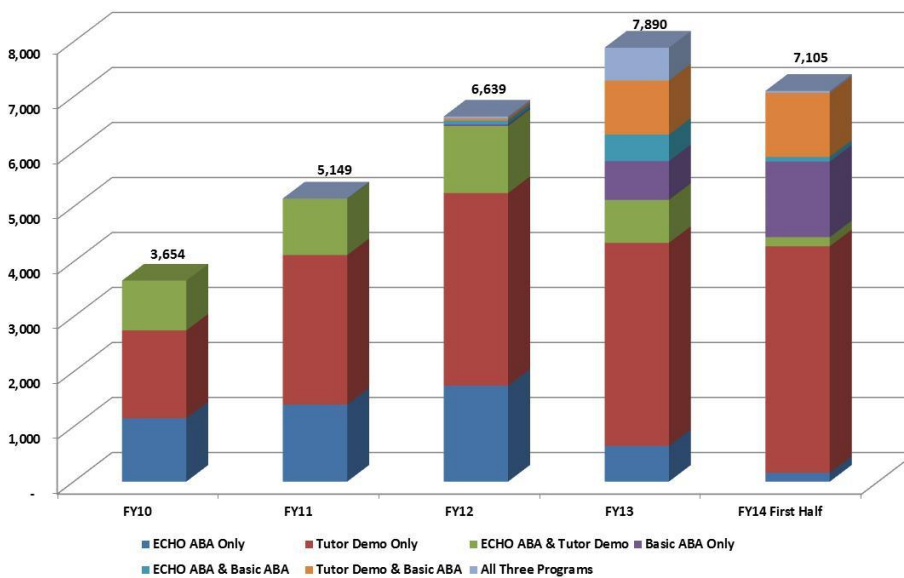
**Chart 1**  
**There Has Been Large Growth in the Number of ADFM ASD Program Users Due to the Tutor Demo and ABA Basic Programs, But There Is Still Substantial Room for Program Expansion**



Note: the number of ADFMs diagnosed with ASD and the number of ASD program users for FY14 are only for the first half of the fiscal year (6 months) and hence these values are lower than the values in FY13 which are for the entire year (12 months). Once we have data for the second half of FY14, we expect that the number of ADFMs diagnosed with ASD will exceed the FY13 values, and it is probable that the number of users will as well.

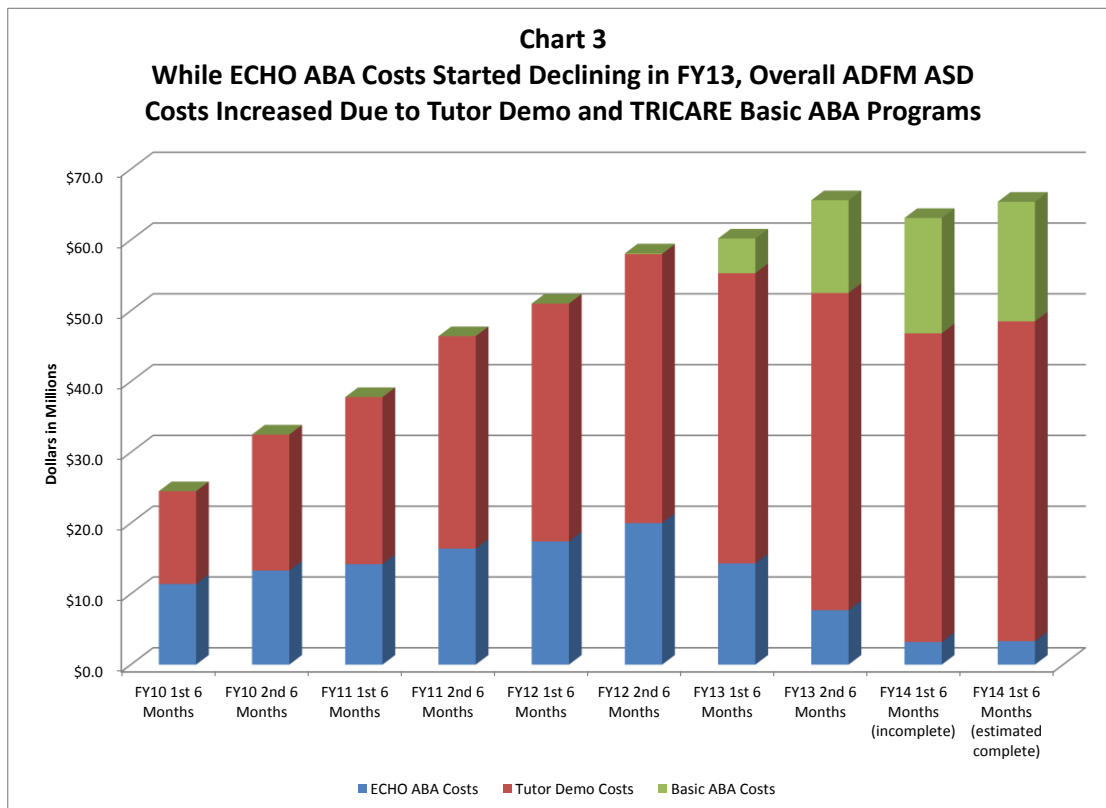
While the number of ECHO ABA program (non-demo) users also increased between FY09 and FY13, it increased at a far lower rate in comparison to ECHO tutor demo users (a 9 percent annual rate compared with 49 percent). In fact, between FY12 and FY13, ECHO ABA users declined by 18 percent. Between the first six months of FY13 and FY14, users declined by 81 percent. But these reductions in ECHO ABA users were more than offset by a dramatic increase in the number of users in the new TRICARE Basic ABA program. While there were only 173 such users in FY12, there were 2,768 non-ECHO ABA users in FY13 and 2,661 users in the first six months of FY14 (Chart 2).

**Chart 2**  
**While ECHO ABA Program Users Declined in FY13, ADFMs Using ASD Services Increased Due to the Tutor Demo and New Basic ABA Programs**





Consistent with the increase in ADFM ECHO demo users, total annual ECHO tutor demo costs increased at an annual average rate of 66 percent between FY09 and FY13 (from \$11.4 million to \$85.8 million). These costs have grown at decreasing annual rates—34 percent between FY11 and FY12, 20 percent between FY12 and FY13, and an estimated 10 percent between the first six months of FY13 and FY14. Consistent with the decline in users in FY13, ECHO ABA (non-demo) costs dropped by \$15 million (41 percent) between FY12 and FY13 and by \$11 million (78 percent) between the first six months of FY13 and FY14. However, between FY12 and FY13, these reductions were offset by an \$18 million increase in the TRICARE Basic ABA program and a \$14 million increase in the ECHO tutor demo program (Chart 3).



### ADFM Users Reaching the Annual ECHO Expenditures Cap

There has always been a great deal of interest in the share of ASD users that are near or reaching the \$36,000.00 annual fiscal year cap on ECHO expenditures. This issue must be viewed somewhat differently with the implementation of the TRICARE Basic ABA program because there are no annual expenditure limits under this program. To address this concern, we examine users by annual expenditures separately for those who only use the ECHO program services (i.e., those limited to the \$36,000.00 cap) and those who use TRICARE Basic ABA services (including those who use the ECHO program in combination with ABA Basic services). In FY13, 4.4 percent of ADFMs using only ECHO program services (227 of 5,122 users) had annual expenditures at or near the \$36,000.00 annual cap (we define this as those with more than \$35,000.00 annually).

Next we examine those ADFMs using the TRICARE Basic ABA therapy program that has no annual expenditure limits. In FY13 we found that 6.7 percent of ADFMs using only the TRICARE Basic ABA program (186 of 2,768 users) had annual expenditure at or near the \$36,000.00 annual cap applicable to the ECHO program. Given that a higher proportion of those users without a cap (6.7 percent for Basic ABA users versus 4.4 percent for ECHO only users) have expenditures at or near the cap suggests that the cap is constraining annual ASD program expenditures.

### Providers

Based on contractor submitted reports, the number of providers participating in the tutor demonstration continues to steadily increase. ABA supervisors increased from 2,316 in FY12 to 4,008 (73 percent) by the end of the 2<sup>nd</sup> quarter FY14. ABA tutors increased from 10,380 in FY12 to 13,516 (30 percent) by the end of the 2<sup>nd</sup> quarter FY14.

## **CONCLUSION**

As evidenced in our previous reports and the above information, participation by beneficiaries and providers is steadily increasing. We believe these increases reflect that reimbursement rates are acceptable to providers and this is allowing for increased provider capacity. However, it is important to understand how much room there is for potential program growth in the future which may impact provider availability and beneficiary access.

TRICARE continues to increase access to ABA services and is leading the nation in fielding an effective ABA provision model. As previously reported in the Department of Defense Applied Behavior Analysis Report to Congressional Defense Committees, dated April 11, 2014, the Department is implementing a new comprehensive ABA tiered-model demonstration under the demonstration authority of Section 1092 of Title 10, United States Code. The demonstration seeks to determine the appropriate provider qualifications for the proper diagnosis of ASD and the provision of ABA, develop more efficient and appropriate means of increasing access and delivering ABA services under TRICARE while creating a viable economic model and maintaining administrative simplicity, and assess the feasibility and advisability of establishing a beneficiary cost share for the treatment of ASD. The demonstration began July 25, 2014, upon expiration of the one-year ABA Pilot authority and provides all TRICARE-covered ABA services under one new component outside the constraints of the TRICARE Basic Program, the ECHO Autism Demonstration, and the ABA Pilot for TRICARE eligible dependents with a diagnosis of ASD. The term “eligible dependent” means a dependent of a beneficiary defined under Section 1079 [or Section 1086] of Chapter 55 of Title 10, United States Code. This will allow the Department to make adjustments to improve access and effectiveness as well as accomplish the congressional purpose of determining the best long term approach for the treatment of ASD.

The ECHO program as currently outlined in Section 199.5 of Title 32, Code of Federal Regulations remains otherwise unaffected. ECHO-registered ADFMs will continue to receive all services and supplies determined by the Department to assist in the reduction of the disabling

effects of an ECHO-eligible dependent's qualifying conditions, except for the changes concerning coverage of ABA that will be implemented in the new consolidated demonstration noted above. Participation in the demonstration by ECHO registered beneficiaries shall constitute participation in ECHO for purposes of ECHO registered beneficiary eligibility for other ECHO services (e.g., respite care).