

WISCONSIN STATE SENATE



Carol Roessler
STATE SENATOR

April 7, 2004

Pat Jaeger
1401 Oregon Street
Oshkosh, WI 54902-6531

Dear Pat,

Now that the 2003-2004 legislative session is over I am providing you with an update regarding Senate Bill 71 and Senate Bill 72.

SB 71, relating to treatment of prescription drug costs, diagnostic testing, and payments under mandated insurance coverage of treatment for mental disorders, was introduced and referred to the Senate Health Committee March 13, 2003. SB 71 passed the Senate March 2, 2004 and passed the Assembly March 11, 2004. The Governor signed SB 71 April 7, 2004.

SB 72, relating to increasing the limits for insurance coverage of nervous or mental health disorders, was introduced and referred to the Senate Committee on Health March 13, 2003. A public hearing was held July 22, 2003. No further action was taken.

I have included the bill histories for you to review, which detail the movement of these bills through the Legislature. This information is also available on the Wisconsin Legislature online database named Folio, accessible by visiting <http://folio.legis.state.wi.us>

Thank you for contacting me on these issues and I look forward to hearing your comments, questions, or concerns in the future.

Sincerely,

A handwritten signature in black ink that reads 'Carol'.

CAROL ROESSLER
State Senator
18th Senate District

S:\DOCS\Jennifer\End of 03 session update ltrs\4-8-04 sb 71 sb 72 mental health update.doc

Jaeger, Patricia
1401 Oregon St
PO Box 1731
Oshkosh, WI 54902-6531

Home: (920) 232-1082

Contact Date: 03/23/2002

Contact Type: Email

Summary: Mental health provisions in budget

Issue:

Position:

Description: Carol,, I understand that the state wants to limit certain meds to mental health consumers. We are putting the lives of consumers in our hands. I already witnessed one death in my community. I don't want to see more because consumers get cheaper drugs to treat mental illnesses. There are a lot of good meds on the market to treat mental illness and because of a person's ability to pay shouldn't determine what meds they get. We need to be heard on this issue. I cannot sit back and watch consumers get older and cheaper meds because they can't afford the good and most effective meds. Carol, Please support me on this issue. I know the state is in a crisis, but let's leave mental health consumers alone to keep leading productive lives. We have the power to keep consumers out of institutions, let's keep fighting this fight.

Thank You,
Pat Jaeger
Oshkosh, WI.

Status: Done

Closed Date:

Assigned: Jermstad, Sara

Owner: Jermstad, Sara

Note **Note Date:** 04/08/2004

Summary: JH end of session update

Contact Type:

Description:

File: S:\DOCS\Jennifer\End of 03 session update ltrs\4-8-04 sb 71 sb 72 mental health update.doc

April 8, 2004

Dear Mark,

Now that the 2003-2004 legislative session is over I am providing you with an update on Senate Bill 72, relating to: increasing the limits for insurance coverage of nervous or mental health disorders

SB 72 was introduced and referred to the Senate Committee on Health March 13, 2003. A public hearing was held July 22, 2003. The Committee passed SB 72 on September 15, 2004, with a 5-4 vote. No further action was taken.

I have included the bill history for you to review, which details the movement of this bill through the Legislature. This information is also available on the Wisconsin Legislature online database named Folio, accessible by visiting <http://folio.legis.state.wi.us>

Thank you for contacting me on this issue and I look forward to hearing your comments, questions, or concerns in the future.

Sincerely,

CAROL ROESSLER
State Senator
18th Senate District

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Duwe, Mark
 PO Box 3446
 Oshkosh, WI 54903-3446

Email: mduwe@waldan.com

Contact Date: 09/17/2003

Contact Type: Email

Summary: mental health - replace you

Issue:

Position:

Description: -----Original Message-----

From: mark duwe [mailto:mduwe@waldan.com]
 Sent: Wednesday, September 17, 2003 3:26 PM
 To: Senator Carol Roessler
 Subject: Mental Health Mandates

Dear Senator Roessler:

Carol, your support of this is sufficient evidence that it is time you be replaced. I pledge to do everything in my power to find a true conservative to run against you in the next primary. Rep Mc Cormick, any suggestions?

Sincerely,

mark duwe
 Po Box 3446
 Oshkosh, WI 54903

Status: Done

Closed Date: 09/24/2003

Assigned: Halbur, Jennifer

Owner: Halbur, Jennifer

Note **Note Date:** 09/24/2003

Summary: Sent letter

Contact Type:

Description:

File: S:\DOCS\Jennifer\9-24-03 duwe health ltr.doc

Note **Note Date:** 10/09/2003

Summary: Mark sent a response

Contact Type: E-mail

Description: -----Original Message-----

From: mark duwe [mailto:mduwe@waldan.com]
 Sent: Thursday, October 09, 2003 8:58 AM
 To: Senator Carol Roessler
 Subject: Mental Health Mandates

Dear Senator Roessler:

Contact Detail

carol, on this issue alone i intend to do everything possible to defeat you in the next election. You are so totally out of touch with reality it is appalling. The damage this bill would do is not reversible. Hopefully the house will have the sense to see the facts as they are. We need representation that is truly conservative not just republican in name.

Sincerely,

mark duwe
Po Box 3446
Oshkosh, WI 54903

Note **Note Date:** 04/08/2004

Summary: JH sent of session e-mail update

Contact Type:

Description: April 8, 2004

File: S:\DQCS\Jennifer\End of 03 session update ltrs\4-8-04 sb 72 ment health ins cov e mail.doc
Dear Mark,

Now that the 2003-2004 legislative session is over I am providing you with an update on Senate Bill 72, relating to: increasing the limits for insurance coverage of nervous or mental health disorders

SB 72 was introduced and referred to the Senate Committee on Health March 13, 2003. A public hearing was held July 22, 2003. The Committee passed SB 72 on September 15, 2004, with a 5-4 vote. No further action was taken.

I have included a link to the bill history for you to review, which details the movement of this bill through the Legislature: <http://www.legis.state.wi.us/2003/data/SB72hst.html>

Thank you for contacting me on this issue and I look forward to hearing your comments, questions, or concerns in the future.

Sincerely,

Carol Roessler

WISCONSIN STATE SENATE



Carol Roessler
STATE SENATOR

April 8, 2004

Rosemary O'Brien
394 18th Street
Fond du Lac, WI 54935-6070

Dear Rosemary,

Now that the 2003-2004 legislative session is over I am providing you with an update regarding Senate Bill 71 and Senate Bill 72.

SB 71, relating to treatment of prescription drug costs, diagnostic testing, and payments under mandated insurance coverage of treatment for mental disorders, was introduced and referred to the Senate Health Committee March 13, 2003. SB 71 passed the Senate March 2, 2004 and passed the Assembly March 11, 2004. The Governor signed SB 71 April 7, 2004.

SB 72, relating to increasing the limits for insurance coverage of nervous or mental health disorders, was introduced and referred to the Senate Committee on Health March 13, 2003. A public hearing was held July 22, 2003. No further action was taken.

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Thank you for contacting me on these issues and I look forward to hearing your comments, questions, or concerns in the future.

Sincerely,

CAROL ROESSLER
State Senator
18th Senate District

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**Wisconsin
Manufacturers
& Commerce**

**Wisconsin Manufacturers'
Association • 1911**

**Wisconsin Council
of Safety • 1923**

**Wisconsin State Chamber
of Commerce • 1929**

James S. Haney
President

James A. Buchen
Vice President
Government Relations

James R. Morgan
Vice President
Education and Programs

Michael R. Shoys
Vice President
WMC Service Corp.

Joyce A. Behrend
Assistant Treasurer

To: Members of the Senate Committee on Health, Children,
Families, Aging and Long Term Care
From: R.J. Pirlot, Director of Legislative Relations
Date: July 21, 2003
Subject: **Opposition to Senate Bill 72**, relating to increasing the
limits for insurance coverage of nervous or mental health
disorders or alcoholism or other drug abuse problems.

Wisconsin Manufacturers & Commerce is the largest representative of Wisconsin employers. Our membership is a broad cross-section of the state's economic activity and our members employ approximately one-quarter of the state's workforce. Approximately half of our members are small businesses with fewer than 50 employees.

Health Care Costs Are Rising

Wisconsin Manufacturers & Commerce recognizes that rising health care insurance costs are a major concern for businesses, big and small, as they strive to stay competitive, whether doing business regionally, nationally or globally. In a recent survey, 50 percent of our members saw annual health care insurance premiums increase over 20 percent and 8 percent of our members saw health care insurance premiums increase over 40 percent. When asked how they will respond to increased health care insurance premiums, 65 percent of our members said they will increase employee contributions and 28 percent of our members said they will cut benefits.

Mandates Raise Health Care Costs and Jeopardize Access

Government insurance mandates inevitably lead to higher health care insurance costs and jeopardize access to affordable health care. A basic rule of economics is the more expensive a product, the fewer people who can afford it. Health care insurance is no different. As such, Wisconsin Manufacturers & Commerce opposes imposition of new government health care insurance mandates.

As noted above, rising health care costs are forcing Wisconsin employers to shift health care cost increases to their employees, reduce health care coverage, or both. SB 72 will make this problem worse. SB 72 mandates all fully-insured employers, typically those with 2-75 employees, to dramatically increase the coverage limits under group health insurance policies for treatment for nervous and mental disorders and for alcohol and other drug abuse problems.

Such dramatic increases in coverage limits will lead to even higher health care insurance costs and, ultimately, will lead to higher health care costs for many Wisconsin families and less access to health insurance coverage in the private sector. Wisconsin Manufacturers & Commerce believes the hardest hit will be Wisconsin's small businesses and their employees.

Benefit Flexibility Would Help Keep Cost Increases Down

Under current law, Wisconsin employers must already provide a minimum level of coverage for treatment for nervous and mental disorders and for alcohol and other drug abuse problems. Rather than inflict new health insurance mandates on Wisconsin's economy, allow fully-insured (non-self funded) employers to pick which of the currently mandated health care insurance benefits they will provide and for which they will pay. Rising health care costs are hurting Wisconsin businesses and costing the state good-paying jobs. Now is not the time to pile on additional government health care insurance mandates which will lead to higher health care costs and decreased access to the health care system for Wisconsin workers. Instead, help make health care insurance more affordable and more accessible by allowing Wisconsin businesses the flexibility to choose which health care insurance benefits they will purchase for their employees.

Please do not hesitate to contact me directly if you have any questions or comments.



SB 72

State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Jim Doyle, Governor
Jorge Gomez, Commissioner

Wisconsin.gov

March 5, 2004

125 South Webster Street • P.O. Box 7873
Madison, Wisconsin 53707-7873
Phone: (608) 266-3585 • Fax: (608) 266-9935
E-Mail: information@oci.state.wi.us
Web Address: oci.wi.gov

MR. R. J. PIRLOT
DIRECTOR OF LEGISLATIVE RELATIONS
WISCONSIN MANUFACTURERS AND COMMERCE
501 E. WASHINGTON AVENUE
MADISON WI 53703

Dear Mr. Pirlot:

I am writing to express a concern with your memorandum to interested WMC members about Senate Bill 72, dated March 1, 2004. I am concerned that the contextual usage of a letter from my agency to cast a particular light gives the impression that this agency has adopted a specific attitude toward this bill.

This office has expressed no formal opinion on SB 72 and does not intend to. However, I believe that your usage of selected pieces of OCI's social and financial impact statement on SB 72 is misleading, implying that OCI has expressed a negative opinion about this bill.

Wis statute s. 601.423 requires OCI to prepare a social and financial impact statement for any proposed legislation that would change or create a health insurance mandate. This office prepared such a statement which indicated that the costs associated with SB 72 would range between \$9.2 and \$30.8 million. However, taken as a percentage of total group health premiums collected in 2001 of \$6.2 billion, this is a premium increase of .15% to .5%. I note that you chose not to utilize the percentage numbers that were also contained in the impact statement, which portray the costs of the mandate in an entirely different light. Additionally, in a follow-up note sent to Speaker John Gard and Majority Leader Mary Panzer on January 15th of this year (easily viewable on OCI's web site), OCI further quantified these premium increase estimates on a per member per month basis as \$.36 to \$1.24 PM/PM. Given the amount of benefit that is derived from SB 72 it is entirely reasonable to infer that this is not an undue burden, which is one of the reasons OCI takes great pains to avoid expressing approval or disapproval of proposed legislation wherever possible. Additionally, OCI was not able to quantify the amount of productivity gains from passage of SB 72, which are certain, but immeasurable by this office. These gains represent a direct benefit to your members that I'm sure they would be interested in knowing.

Another assumption that could be made is that when SB 72 is taken in conjunction with SB 71, which would prohibit the use of diagnostic and pharmaceutical costs in the

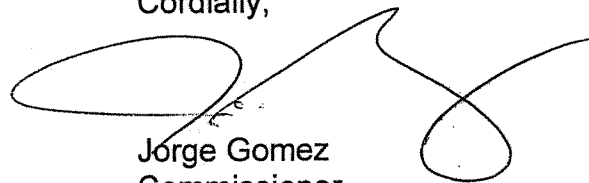
R. J. Pirlot
March 5, 2004
Page 2

calculation of the minimum coverage amounts, the amount of premium increase would be mitigated greatly. As you may not be aware, a large share of mental health treatment is through the use of prescription drugs. OCI's 2001 Survey of Selected Mandated Health Insurance Benefits revealed that most group health insurers do not include prescription drug treatment for mental health treatment in the calculation of costs associated with the minimum coverage amounts specified in the statutes. This means, as I see it, that reaching the high end of our estimate would be a remote possibility. However, as the Special Committee on Mental Health Parity discovered, there are real people that are foregoing treatment that works for them because of a dollar amount that was set nineteen years ago and has not been adjusted since then. I'm sure you and your members have been aware that medical costs have not remained stagnant since then.

As I indicated earlier, OCI does not advocate on issues relating to insurance coverage, whenever possible, especially in a highly charged atmosphere like health insurance. If I were to express an opinion it could be one of amazement a fine organization like WMC believes that \$4.32 per employee per year is too much to pay for the mental and emotional health of their member's employees or that \$4.32 per employee annually is too great an investment toward greater productivity.

I understand you have members who look to you for guidance on legislative proposals and you need to advocate for your members. I would appreciate it, however, if you did not enlist my involuntary participation in advancing your causes.

Cordially,

A handwritten signature in black ink, appearing to read 'Jorge Gomez', with a large, stylized flourish extending to the right.

Jorge Gomez
Commissioner

JG: jrg

Halbur, Jennifer

SB 72

From: Asbjornson, Karen
Sent: Thursday, March 11, 2004 2:12 PM
To: Halbur, Jennifer
Subject: FW: NFIB/Wisconsin - Senate Bill 72

CR email

Karen Asbjornson
Office of Senator Carol Roessler
(608) 266-5300/1-888-736-8720
Karen.Asbjornson@legis.state.wi.us

-----Original Message-----

From: Smith, Bill [mailto:Bill.Smith@NFIB.ORG]
Sent: Thursday, March 11, 2004 1:58 PM
To: Sen. Alan Lasee; Sen. Alberta Darling; Sen. Carol Roessler; Sen. Cathy Stepp; Sen. Charles Chvala; Sen. Dale Schultz; Sen. Dave Hansen; Sen. David Zien; Sen. Fred Risser; Sen. Gwen Moore; Sen. Jeff Plale; Sen. Joe Leibham; Sen. Jon Erpenbach; Sen. Judy Robson; Sen. Julie Lassa; Sen. Mark Meyer; Sen. Mary Lazich; Sen. Mary Panzer; Sen. Michael Ellis; Sen. Neal Kedzie; Sen. Robert Cowles; Sen. Robert Jauch; Sen. Robert Welch; Sen. Robert Wirsch; Sen. Roger Breske; Sen. Ron Brown; Sen. Russ Decker; Sen. Scott Fitzgerald; Sen. Sheila Harsdorf; Sen. Spencer Coggs; Sen. Ted Kanavas; Sen. Tim Carpenter; Sen. Tom Reynolds
Subject: NFIB/Wisconsin - Senate Bill 72

Please see attached Memo from NFIB/Wisconsin on Senate Bill 72 - health insurance mandates.

Thank you.

Bill G. Smith
State Director
NFIB/Wisconsin
10 East Doty Street, Suite 201
Madison, WI 53703

Phone: 608/255-6083
Fax: 608/255-4909
Email: bill.smith@nfib.org



WISCONSIN

MEMORANDUM

TO: Members of the Senate
FROM: Bill G. Smith, State Director
DATE: March 11, 2004
RE: Senate Bill 72

Studies show the impact of health insurance costs is not only causing small business owners to adjust cost sharing, cancel coverage's, and reduce coverage, but the high cost of health insurance is also having a serious negative impact on our state's economy.

While some will argue SB-72 will have minimal impact on the cost of health insurance, studies show a mere 1 percent increase in the cost of a health insurance plan equals a \$36 million increase in premium cost for Wisconsin's employers who purchase group health insurance. The Office of the Insurance Commissioner has analyzed the impact of SB 72 and concludes:

Higher Health Insurance Costs

"The mandate will add approximately \$9.2 – 30.8 million per year to group insurance consumers, borne mostly by small businesses." (emphasis added)

More Uninsured

"...it is reasonable to assume that an increase in premium costs to small and medium-sized employers will have a negative impact on the number of people insured in Wisconsin."

Of course, because federal ERISA law preempts self-insured plans from state mandates, self-insured big businesses will not be affected by this legislation.

Senate Bill 72 will increase health insurance premiums for small business and cause more Wisconsin citizens to lose their health insurance coverage.

On behalf of our states small business owners who are already struggling with the cost and coverage of their existing health plans, I hope you will support proposals that make health insurance more affordable not less affordable for our states small employers and their employees.

Please vote against passage of Senate Bill 72.

Thank you for your consideration

MAR 09 2004

SB72



Coalition for Cost Effective Health Care

Position Statement

- Council for Affordable Health Insurance
- Dairy Business Association
- Independent Insurance Agents of Wisconsin
- Metropolitan Milwaukee Association of Commerce
- Midwest Hardware Association
- National Association of Insurance and Financial Advisors - Wisconsin
- National Federation of Independent Business
- Petroleum Marketers Association of Wisconsin/Wisconsin Association of Convenience Stores
- Professional Insurance Agents of Wisconsin
- Wisconsin Association of Health Plans
- Wisconsin Association of Health Underwriters
- Wisconsin Association of Provider Networks
- Wisconsin Builders Association
- Wisconsin Farm Bureau Federation
- Wisconsin Grocers Association
- Wisconsin Manufacturers & Commerce
- Wisconsin Merchants Federation
- Wisconsin Restaurant Association
- Wisconsin Soybean Association

The Coalition for Cost Effective Health Care represents a broad cross-section of business and trade associations whose members are keenly interested in helping to ensure health care insurance is affordable and accessible.

The members of the Coalition for Cost Effective Health Care support improving access to affordable and cost effective health care for Wisconsin employers, employees and employees' families. As a result, the Coalition for Cost Effective Health Care opposes new government-mandated health insurance benefits.

The Coalition for Cost Effective Health Care believes that decisions regarding the benefit design of employee health care plans should be made in the marketplace, not in the Legislature. Employers should be free to purchase and design benefit packages best meets the needs of their employees and should not be constrained by mandated benefits that individually may have legislative appeal.

State health insurance mandates drive up costs and undermine access to affordable health care insurance. Mandates only affect employers who cannot afford to self-insure their health plans, because self-insured plans are governed by federal law and are not subject to state regulation. While proponents of mandated health insurance benefits argue the increased costs associated with any one mandate are minimal, the Coalition members believe it is critical for legislators to understand a one percent increase in the costs of a health insurance plans translates into a \$61 million increase in premium costs for Wisconsin employers and employees purchasing commercial health insurance.

Benefit mandates have a direct, negative effect on overall access to health care coverage. As Wisconsin Insurance Commissioner Jorge Gomez has observed "[t]raditionally, as the number of benefit mandates increase the cost of coverage rises, and as costs rise, fewer and fewer individual and businesses can afford to insure." Specifically, Commissioner Gomez concludes ". . . it is reasonable to assume that an increase in premium costs to small and medium-sized employers certainly will have a negative impact on the number of people insured in Wisconsin."

The Coalition for Cost Effective Health Care urges you to oppose health care benefit mandates.

Halbur, Jennifer

From: Asbjornson, Karen
Sent: Tuesday, March 09, 2004 6:35 AM
To: Halbur, Jennifer
Subject: FW: Keep SB 71 and SB 72 TOGETHER - it is long overdue

SB 72

CR email

Karen Asbjornson
Office of Senator Carol Roessler
(608) 266-5300/1-888-736-8720
Karen.Asbjornson@legis.state.wi.us

-----Original Message-----

From: Jeanne Harper [mailto:lakeshore@czwireless.net]
Sent: Monday, March 08, 2004 8:31 PM
To: sen.roessler@legis.state.wi.us
Subject: Keep SB 71 and SB 72 TOGETHER - it is long overdue

Carol We really need and want Mental Health Parity -- thirty other states have passed similar legislation. SB71 and SB72 need to be together in this Compromise Bill.

Please read the Milwaukee Journal editorial of March 1, 2004. Know that the NASW, Coalition for Fairness in Mental Health and Substance Abuse Insurance, and Mental Health Clinics through Wi. Asso Behavioral Healthcare Systems strongly support the passage of BOTH bills together. SB72 corrects a minimum (not changed since 1985) to increase the long-overdue cost of living increase based on the federal Consumer Price Index for health services.

These are timely and needy compromise bills--it is an overdue expansion of coverage under current law.. As a small mental health clinic -- we really need this reform, we are in serious financial woes - with insurance denying services, that in many cases are imperative to the physical, emotional, spiritual health of a client.

Thanks for listening Carol. I greatly appreciate your taking the time and hope that you can support Greg Underheim, who maybe wavering about putting the two bills together as a compromise statement ---- it is truly long overdue.

Peace,

Jeanne Harper
Marinette WI
Owner of a WI State Certified Mental Health Clinic