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as of Thursday, July 10, 2003

2003-2004 legislative session

Legislative bills and resolutions

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Text, Sponsors and Analysis
Status and Fiscal Estimate
Lobbying Effort on this item

Senate Bill 71

treatment of prescription drug costs, diagnostic testing, and payments under mandated insurance coverage of treatment for nervous and mental disorders and alcoholism and other drug abuse problems, and granting rule-making authority. (FE)

Organization		These organizations have reported lobbying on this proposal:	Place pointer on icon to display comme click icon to display prior comments		
Profile	Interests		Date Notified	Position	Comm
●	●	Independent Insurance Agents of Wisconsin	4/29/2003	?	
●	●	Kenosha County	3/14/2003	↑	
●	●	Lutheran Office for Public Policy in Wisconsin	5/5/2003	↑	
●	●	Lutheran Social Services of Wisconsin & Upper Michigan Inc	3/14/2003	?	
●	●	Mental Health Association in Milwaukee County	5/28/2003	↑	
●	●	Milwaukee Jewish Council for Community Relations, Inc.	4/15/2003	↑	
●	●	National Association of Insurance & Financial Advisors (NAIFA) Wisconsin	4/29/2003	?	
●	●	National Federation of Independent Business	3/20/2003	?	
●	●	Professional Insurance Agents of Wisconsin	4/29/2003	?	
●	●	Wisconsin Association of Provider Networks	7/8/2003	?	
●	●	Wisconsin Coalition for Advocacy	3/27/2003	↑	
●	●	Wisconsin Coalition of Independent Living Centers	4/3/2003	↑	
●	●	Wisconsin Manufacturers & Commerce	3/20/2003	?	
●	●	Wisconsin Nurses Association	5/30/2003	↑	
●	●	Wisconsin Professional Police Association	5/14/2003	?	
●	●	Wisconsin Psychological Association	4/7/2003	?	

Select a legislative proposal and click "go"

House Assembly / Senate

SB71
SENATE BILL 71
An Act to create 632.89 (1) (b) and 632.89 (6) and (7) of the statutes; relating to: treatment of prescription drug costs, diagnostic testing, and payments under mandated insurance coverage of treatment for nervous and mental disorders and alcoholism and other drug abuse problems, and granting rule-making authority. (FE)
2003

03-13-03. S. Introduced by JOINT LEGISLATIVE COUNCIL.
03-13-03. S. Read first time and referred to committee on Health, Children, Families, Aging and Long Term Care. **117**
04-16-03. S. Fiscal estimate received.

State of Wisconsin
2003 – 2004 LEGISLATURE

LRB–1978/2
PJK:kjf:jf

2003 BILL

Current

Hospital
- Inpatient
- Outpatient
- Inpatient or outpatient
- Both inpatient and outpatient

Lesser of 30 days inpatient or

SB 71

Mental/Nervous disorders

$7,000 – cost sharing (or) no cost sharing $6,300
$2,000 – cost sharing (or) no cost sharing $1,800
Transitional treatment of $3,000 – cost sharing (or) $2,700 if no cost sharing.
Total coverage for all types of treatment is not required to exceed $7,000.

AN ACT ***to create*** 632.89 (1) (b) and 632.89 (6) and (7) of the statutes; **relating to:** treatment of prescription drug costs, diagnostic testing, and payments under mandated insurance coverage of treatment for nervous and mental disorders and alcoholism and other drug abuse problems, and granting rule–making authority.

Analysis by the Legislative Reference Bureau

This bill is explained in the NOTE provided by the Joint Legislative Council in the bill.

For further information see the ***state and local*** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This bill was prepared for the joint legislative council's special committee on mental health parity.

Under current law, a group health insurance policy (called a "disability insurance policy" in the statutes) that provides coverage of any inpatient hospital services must cover those services for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems in the minimum amount of the lesser of: 1) the expenses of 30 days of inpatient services; or 2) $7,000 minus the applicable cost sharing under the

policy or, if there is no cost sharing under the policy, $6,300 in equivalent benefits measured in services rendered. If a group health insurance policy provides coverage of any outpatient hospital services, it must cover those services for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems in the minimum amount of $2,000 minus the applicable cost sharing under the policy or, if there is no cost sharing under the policy, $1,800 in equivalent benefits measured in services rendered. If a group health insurance policy provides coverage of any inpatient or outpatient hospital services, it must cover the cost of transitional treatment arrangements (services, specified by rule by the commissioner of insurance, that are provided in a less restrictive manner than inpatient services but in a more intensive manner than outpatient services) for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems in the minimum amount of $3,000 minus the applicable cost sharing under the policy or, if there is no cost sharing under the policy, $2,700 in equivalent benefits measured in services rendered. If a group health insurance policy provides coverage for both inpatient and outpatient hospital services, the total coverage for all types of treatment for nervous and mental disorders and alcoholism and other drug abuse problems is not required to exceed $7,000, or the equivalent benefits measured in services rendered, in a policy year.

Comment

This bill specifies that the minimum coverage limits required for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems do not include costs incurred for prescription drugs and diagnostic testing. Diagnostic testing is defined in the bill as procedures used to exclude the existence of conditions other than nervous or mental disorders or alcoholism or other drug abuse problems. The Department of Health and Family Services is authorized to specify, by rule, the diagnostic testing procedures that are not included under the coverage limits.

The bill also provides that, if an insurer pays less than the amount that a provider charges, the required minimum coverage limits apply to the amount actually paid by the insurer rather than to the amount charged by the provider.

New

Finally, the bill provides that if an insurance policy contains a provision that is inconsistent with the new provisions, the new requirements will first apply on the date the policy is renewed.

SECTION 1. 632.89 (1) (b) of the statutes is created to read:

632.89 **(1)** (b) "Diagnostic testing" means procedures used to exclude the existence of conditions other than nervous or mental disorders or alcoholism or other drug abuse problems.

SECTION 2. 632.89 (6) and (7) of the statutes are created to read:

632.89 **(6)** PRESCRIPTION DRUGS AND DIAGNOSTIC TESTING. (a) The coverage amounts specified in sub. (2) shall not include costs incurred for prescription drugs or diagnostic testing.

(b) The department of health and family services may specify, by rule, the diagnostic testing procedures to which par. (a) applies.

(7) TREATMENT OF COSTS. The coverage amounts specified in sub. (2) apply to actual payments or reimbursements made by an insurer if the payment or reimbursement amounts are less than the amounts charged by a provider.

SECTION 3. Initial applicability.

(1) If an insurance policy that is in effect on the effective date of this subsection contains a provision that is inconsistent with the treatment of section 632.89 (6) or (7) of the statutes, the treatment of section 632.89 (6) or (7) of the statutes, whichever is inconsistent, first applies to that insurance policy on the date on which it is renewed.

(END)

Jermstad, Sara

From: Rohrer, Daniel
Sent: Monday, July 21, 2003 10:27 AM
To: Jermstad, Sara
Subject: FW: SB71, SB72 ALERT

Importance: High

CR inbox... not constit.

-----Original Message-----
From: Penny Yakes [mailto:pyakes@pressenter.com]
Sent: Sunday, July 20, 2003 2:34 PM
To: sen.roessler@legis.state.wi.us
Cc: sen.brown@legis.state.wi.us; sen.chvala@legis.state.wi.us; sen.carpenter@legis.state.wi.us; sen.jauch@legis.state.wi.us; sen.kanavas@legis.state.wi.us; sen.robson@legis.state.wi.us; sen.schultz@legis.state.wi.us; sen.welch@legis.state.wi.us
Subject: SB71, SB72 ALERT
Importance: High

Dear Senators, I am contacting you in regard to SB71 andSB72. I urge your support in
the passing and enactment of these two very important bills. I submit this email
as written testimony for The Senate Health Children, Families, Aging and Long-Term
Care Committee public hearing On July 22,2003 in Room 201SE in the State Capital.
I am unable to attend due to my twenty-four hour caretaking of my daughter and my outside the home employment responsibilities.

My family has been financially and emotionally devastated by the catastrophic illness
of our middle daughter's severe Anorexia Nervosa and the proper and necessary treatment
required for her survival and recovery.

The mandated minimums of 1985 for insurance coverage for mental health and substance
abuse original intent was to increase the mandated minimums based on inflation, however the legislature subsequently removed that requirement from the statues.

I do understand that indexing for inflation is a common legislative practice. And from my family's own personal experiences with anorexia evidence continues to increase that mental illness and addictive disorders can be effectively treated at rates comparable to other illnesses that are covered by health insurance.

The cost difference between what my family pays out of pocket for our daughter's treatment,
(uninsured treatment) compared to what insurance companies could negotiate with treatment facilities and professionals is as vast as the Grand Canyon..My family has been devastated
by the illness, as well as the no ceiling limits on out of pocket expenses.We are forced to
fight for every piece of limited and restricted insurance coverage at the same time we struggle
to keep her physically alive, so the psychological aspect of her doctor

advised treatment will
be productive. As you well know, if the body is severely malnourished the brain will not
properly function. Her medical and psychological treatment have to be tied together to produce
a positive result, know as recovery. Also, advanced techniques are allowing scientists to see the real impact of these disorders on the brain and the real impact of treatment.

These proposed bills would help other overwhelmed WI. families from having to follow
in my family's footsteps, such as facing a choice of giving up custody of their child to
ensure they have access to treatment. We were appalled at the thought of making such
a choice when our insurance company representative suggested it.Thereby, we have lived
with financial and emotional devastation in order to provide her the proper and necessary treatment. We have been determined that suicide would never be a viable or available option
to her as it has been for hundreds of anorectic suffers in our great state of WI.

No other WI.family should ever have to walk in our footsteps, the footsteps of those who
chose death or the footsteps of those who gave up custody of their child to the state.

These bills represent a significant compromise to the reluctance of our legislature to
enact parity for mental illness and substance abuse. This is the least we can due
for the families and victims of these disorders.

Thank you for your time and patience in this extremely important issue. Again, I urge
your support in the enactment of SB71 and SB72.

Sincerely, Penny Yakes

Mother and Advocate
pyakes@pressenter.com
1830 Hunter Hill Road
Hudson, WI. 54016
715.381.3641

Jermstad, Sara

From: Rohrer, Daniel
Sent: Monday, July 21, 2003 10:31 AM
To: Jermstad, Sara
Subject: FW: SB 71

CR inbox...

-----Original Message-----
From: Dennis Boyer [mailto:dennisb@chorus.net]
Sent: Tuesday, July 22, 2003 11:19 AM
To: Sen.Roessler@legis.state.wi.us
Subject: SB 71

Dear Senator Roessler: We wish to indicate our support of SB 71. While it does not go as far
as many hoped, it does represent progress toward recognition of the importance of mental health
treatment.
Sincerely,
Dennis Boyer
AFSCME Council 11 lobbyist

Sara J—
I gave copy to CK mond. pm
—K

Asbjornson, Karen

From: Marcia Larson [marcia@novaoshkosh.com]
Sent: Monday, July 21, 2003 1:14 PM
To: sen.roessler@legis.state.wi.us
Subject: Senate Bill 71

Hi Carol:

I just learned last Friday of tomorrow's meeting to review Senate Bill 71 regarding mandates for mental health and alcohol and drug treatment. Here's my take on it: obviously a mandate that has been in effect as long as 632.89 needs to be rethought. Insurance rates can't multiply many times over in a given number of years, while providers are forced to live with fixed limits over the same period of time.

One of the possible ramifications of raising the mandated limits, however, is that all levels of care will be managed even more stringently. In many instances we can't access the monies represented by the current mandate. Moreover, employers purchase in good faith what they believe are benefits for their employees, based on 632.89, that exist only on the paper they're written.

While I'm aware of the insurance industry's, as well as the Wisconsin Manufacturer's negative position regarding removal of the internal caps, I still believe that that concept is the key to building fairness into the mandate.

Bill 71 has some interesting, if not threatening, consequences for Nova Treatment Center. Here's the issue: some payers, hoping to save money, who formerly regarded Nova as an inpatient provider, have in the recent past relegated us to transitional living status. We haven't minded that too much because the cost of Nova's care is so reasonable that the existing transitional benefit covers a decent portion of our cost of care. The proposed transitional mandate of Bill 71 for transitional living would obviously cover even more. Vince Ritacca, with the anticipation of Bill 71, is thinking about getting clarification on this matter, as to what status we actually occupy. If Nova is relegated to a par with hospital inpatient status only, I think we could, worst case, be managed out of existence. (Some payers argue since treatment like Nova's is provided in a residential setting, they should be considered residential or transitional status). While Nova is a medically monitored program that meets the standards of clinical hours of HFS 75.11, payers associate anything called hospital inpatient with detox or exorbitant cost, a thing to manage to the nth degree with attention being given primarily to process, rather than actual monies spent/value etc.

Hope this frame of reference is useful for you. Thanks for your consideration in these matters.

Marcia

Asbjornson, Karen

From: Solie, Denise
Sent: Monday, July 21, 2003 8:36 AM
To: Roessler, Carol; Sen.Kanavas; Brown, Ronald; Welch, Bob; Schultz, Dale
Cc: Asbjornson, Karen; Jermstad, Sara
Subject: FW: Update: Senate Hearing on Compromise Parity Bills

FYI

Sen -
I sent to Jennifer too.
-K

-----Original Message-----
From: DAWN
Sent: Friday, July 18, 2003 3:13 PM
To: Denise.Solie@legis.state.wi.us
Subject: Update: Senate Hearing on Compromise Parity Bills

Update: Senate Hearing on Compromise Parity Bills

1. Hearing Update
2. Action Steps

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1. Hearing Update

As reported recently the Senate Health, Children, Families, Aging and Long-Term Care Committee will hold a public hearing on SB71 and SB72, the compromise parity bills, on July 22, 2003 in Room 201SE in the State Capitol. The committee chair, Sen. Carol Roessler, announced that the public hearing on these bills will begin around 1:00 pm.

Sen. Roessler intends to allow anyone who wishes to speak to do so at the hearing. However, since there are many other items on the committee calendar for that day (both before and following this public hearing) she would appreciate that people limit their comments to three minutes. Additional suggestions for providing your testimony can be found below under "Action Steps".

Sen. Roessler has also indicated that she will not be having the committee vote on the bills at this meeting. This means that if you are unable to attend the hearing you still have an opportunity to submit comments or contact committee members following the hearing.

Additional information on these bills can be found at <http://www.dawninfo.org/advocacy/issues/MH_fairness.cfm>. For more information, contact Shel Gross, 608/250-4368 or shelgross@tds.net

****

2. Action Steps

There are a variety of ways you can provide your testimony while still being considerate of the committee's schedule:

a) When you show up at the hearing you can simply register in favor or opposed to the bills without registering to speak.

b) You can bring written testimony (10 copies) and give it to the committee clerk in addition to registering.

c) You can register to speak and just say a few words (you don't have to use the full three minutes!) and then provide your written testimony to the clerk.

d) If you are coming with others from your community you can come up as a group to present your testimony.

e) If you are coming from out-of-town, or if you have some time constraints in being able to give your testimony (e.g., must leave by 3 p.m.), you can write that on the form you use to register to speak and the Senator's aide will attempt to make sure you have an opportunity to testify before you have to go. If you come from a district represented by one of the committee members, please indicate that on the registration form-it is especially important that committee members hear from constituents.

f) If you are unable to attend the hearing you may send your written testimony to Sen. Roessler at:

Sen. Carol Roessler
Rm. 8 South State Capitol
P.O. Box 7882
Madison, WI 53707-7882

g) You may also wish to contact other members of the committee, especially if one of them is your State Senator. The other committee members are Sens. Kanavas, Brown, Welch, Schultz, Robson, Chvala, Jauch and Carpenter.

Department of Health and Family Services
Presentation to the Legislative Council Study Committee on Mental Health Parity
Oct. 24, 2002

Mental Health and Substance Abuse Parity
Text of PowerPoint Presentation with Notes

Keith Lang, MSW, Interim Director, Bureau of Substance Abuse Services
Dan Zimmerman, Bureau of Community Mental Health

Public Sector: Funding Sources

- Community Aids
- County Match and Overmatch
- Medicaid
- Medicare
- Mental Health Block Grant
- Substance Abuse Block Grant
- Specialized Grant Programs
- Projects for Assistance in Transition for Homelessness (PATH)
- Intoxicated Driver Program Surcharge
- GPR Funding - Forensic/IMD
- Temporary Assistance for Needy Families
- Drug Abuse Program Improvement Surcharge

"Public sector" refers to:

•services directly operated by government agencies (e.g., state and county mental hospitals) and to

•services financed with government resources (e.g., Medicaid, a Federal-state program for financing health care services for people who are low-income and disabled, and Medicare, a Federal health insurance program primarily for older Americans and people who retire early due to disability).

Private Sector

- Funding Sources
  - Private Insurance (Employer-Provided)
  - Self-Pay
  - Services operated directly by Private Agencies

Public Sector Target Population

- Mental Health
  - Persons with Serious Mental Illness
  - Persons with Severe and Persistent Mental Illness
  - Children with Severe Emotional Disturbances
- Substance Abuse
  - General Population of Adults and Adolescents

Serious Mental Illness refers to persons ages 18 and over who, at any time during an index year, had a diagnosable mental, behavioral or emotional disorder that met DSM criteria and "that resulted in a functional impairment which substantially interferes with or limits on more major lifetime activities" (Federal Substance Abuse and Mental Health Services Administration-SAMHSA).

Severe and Persistent Mental Illness: estimated at 2.7% of the population by SAMHSA. WI Statute 51.01 states "Chronic mental illness" means a mental illness which is severe in degree and persistent in duration, which causes a substantially diminished level of functioning in the primary aspects of daily living and an inability to cope with the ordinary demands of life, which may lead to an inability to maintain stable adjustment and independent functioning without long-term treatment and support and which may be of lifelong duration. Includes schizophrenia as well as a wide spectrum of psychotic and other severely disabling psychiatric diagnostic categories, but does not include infirmities of aging or a primary diagnosis of mental retardation or of alcohol or drug dependence.

Severe Emotional Disturbance in persons under age 21 is defined by a mental or emotional disturbance listed in the APA diagnostic categories for children and adolescents. It results in functional symptoms and impairments and must have persisted 6 months and be expected to persist. (Center for Mental Health Services)

Mental Illness Prevalence Rate

- Mental Health Disorders Overall 19% or 889,227 individuals.
- Adults with Serious Mental Illness (SMI) is 5.7% or 227,710 individuals.
- Adults with Severe Persistent Mental Illness (SPMI) is 2.7% or 144,819 individuals.
- Children ages 5-18 with Severe Emotional Disturbance (SED) is estimated between 36,362 to 65,452.

•Prevalence rate percentages are from Mental Health: A Report of the Surgeon General, 1999, and applied to the WI population numbers from the 2000 census.
•Mental illness affects one in every five American families.
•23% of American adults suffer from a diagnosable mental disorder in a given year.
•People with mental illness fill more hospital beds than those with cancer, lung, and heart disease combined.
•4 of the 10 leading causes of disability in the United States are mental disorders. They included major depression, bipolar disorder, schizophrenia, and obsessive-compulsive disorder.
•1 in 5 children have a diagnosable mental, emotional, or behavioral disorder.
Seventy percent of all children, however, do not receive mental health services.

Substance Use Disorder Prevalence Rate

- Adults in need of treatment for alcohol and drug use disorders is 9.8% or 409,700 individuals.
- Adolescents in need of treatment for alcohol or other drug use disorders is 8.3% or 40,350 adolescents.

A 2000 update of a 1997 Wisconsin household survey that checked the alcohol and drug health of 8,460 adults and 1,075 adolescents found that 9.8 percent of the adults and 8.3 percent of the adolescents were in need of treatment for alcohol or other drug disorders. This means that there are 409,700 adults and 40,350 adolescents in need of treatment statewide.

A 1998 study published in the Journal of American Medical Association entitled "The Epidemiological Catchment Study" showed that 55% of persons with a substance use disorder has some type of mental illness. (While the rate of co-occurring disorders may vary by gender and specific diagnosis, the minimum rate is 55%).

Overview of Mental Health and Substance Abuse Client Services

- Detoxification
- Inpatient/IMD
- Hospitalization
- Crisis Intervention
- Residential Treatment
- Day Treatment
- Outpatient Counseling
- Community Support and Case Management
- Medication Management
- Symptom Management
- Disease Awareness and Education

- Vocational Supports
- Housing Assistance
- Prevention
- Peer Support/Mutual Support
- Other Rehabilitation Services

The Mental Health Act, Chapter 51, and HFS 75 outline the requirements for local mental health and substance abuse services, but county boards have considerable autonomy in designing and operating programs that meet the needs of their individual counties. The boards are overseen and funded by the Division of Supported Living of the Department of Health and Family Services (DHFS). The array of services provided by the boards may include the Prevention, Early Intervention and Education Programs; clubhouses and vocational alternatives for older persons; consumer operated and controlled self help and peer support options; social and recreational opportunities, including drop-in services; sheltered workshops; jail diversion; and other additional services.

Certified Treatment Providers

- There are 1126 (July 2002 report) mental health and substance abuse programs certified by DHFS in the state.
- Includes private and publicly funded service providers.

The mental health and substance abuse programs certified by the DHFS provide services to individuals who are able to pay for their services as well as people who receive publicly funded mental health/substance abuse services. Services are provided on a continuum of care in the least restrictive environment. Certified programs include

- outpatient clinics,
- community support programs,
- adolescent day treatment programs,
- adult day treatment programs,
- medically monitored residential treatment,
- transitional residential treatment,
- narcotic treatment,
- detoxification services,
- methadone detoxification services,
- emergency outpatient programs,
- emergency inpatient programs,
- adolescent inpatient programs,
- adult inpatient programs.

Referral and Access Points to Public Treatment

- Mental Health and Substance Abuse Treatment Providers
- Primary Care Service Providers
- Crisis Services
- Hospitals
- Indian Health Centers
- Law Enforcement, Courts, and Corrections
- Other Human Services Providers and Public Agencies
- Schools
- Employee Assistance Programs

How Do People Obtain Publicly-Funded Mental Health and Substance Abuse Services?

- Medicaid-Eligible Individuals: Through Providers
- Individuals Not Medicaid-Eligible: Through County Human Service Systems

Medicaid-Eligible Individuals

- Entitlement
- Individuals Try to Find Providers
- Low Reimbursement Rates for MA Providers
- Many Private Providers Refuse to Provide MA-funded Services

Individuals Not Medicaid-Eligible: County Human Service Systems

- No Entitlement
- Voluntary Services
  - Limited County Funding Results in Waiting Lists
- Involuntary Services
  - Chapter 51-Involuntary Commitment
  - Chapter 55-Protective Services
  - Child Welfare
  - Other Court-Ordered Services

Medicaid is a federal/state program that pays health care providers to deliver medically necessary health care services to aged, blind or disabled individuals, members of low-income families with dependent children and certain other children, and pregnant women.

In FY 2001, Medicaid enrolled an average of 496,116 Wisconsin residents per month and provided medical services through fee-for-service providers. Wisconsin Medicaid contracts with 13 HMOs in 68 counties to provide services to its enrollees. Wisconsin Medicaid also administers special managed care programs for selected recipients, for instance, children with severe emotional disturbance, and the elderly enrolled in PACE, and Partnership.

However, most individuals with a primary substance abuse diagnosis are usually not eligible for Wisconsin Medicaid. An exception is a low-income parent with a dependent child, or low-income pregnant woman.

Low-income uninsured families who are not eligible for Medicaid qualify for BadgerCare if family income is at or below 185% of the federal poverty level. Families remain eligible until their income exceeds 200% of the poverty level.

2001 Clients and Expenditures: Inpatient and Outpatient Services
Data from County Human Services Reporting System (HSRS)

- Mental Health
  - 94,722 Clients and
  - $319,806,437 Expenditures
- Substance Abuse
  - 58,063 Clients and
  - $70,408,609 Expenditures

Preliminary 2001 Medicaid Expenditures
Inpatient and Outpatient Services

- Mental Health
  - 41,764 Clients and
  - $106,126,996 Expenditures
- Substance Abuse
  - 2,965 Clients and
  - $6,322,333 Expenditures

Historically, outpatient mental health/substance abuse services have been the traditional Medicaid mental health/substance abuse benefit. Access to these services has been declining. Aside from the HMO population being removed from fee-for-service, there continues to be a decline in the number of recipients receiving outpatient mental health clinic services.

How Do Insurance Limitations Affect the Individual?

- Limitations Result In:
  - Limited, Inadequate or No Treatment
  - Rationed Treatment
  - Increased Symptomatology
  - Increased Acuteness of Illness
  - Exhausted Private Insurance Benefits
  - Cost Shifted from Private to Public Sector
  - Increased Public Sector Usage

When privately insured individuals exhaust their benefits they may turn to the public sector for treatment, which increases costs to federal, state and local governments. One study estimated that 20% of public reimbursements are for clients who have had private health insurance. (Lewin-VHI, 1994).

Caps on coverage are skewed to favor inpatient services. This causes use of more expensive care rather than best practice: the use of earlier outpatient intervention, which is less expensive.

Public System Access Issues

- Limitations Result In:
  - Insufficient Funding for Levels of Care
  - Disrupted Continuity of Care
  - Waiting Lists
  - Restrictions on Available Appropriate Care Include
    - Services Based on Severity of Diagnosis
    - Number of Public Sector Clients Accepted by Providers
    - Inadequate Reimbursement Levels for Providers
    - Detoxification (Not Billed as a Medical/Surgical Benefit)
    - Number of Treatment Visits

A 2000 survey conducted by the Bureau of Substance Abuse Services (BSAS) in cooperation with UW CHIPPE identified that 686 individuals were put on a waiting list for services at some

point during the calendar year. An individual must have been waiting for services at least two-weeks prior to being placed on the waiting list.

Outpatient Medicaid rates are one-fourth or less of customary charges within the healthcare industry; there has been no rate reform since the beginning of this benefit. Allied health professionals (i.e., Ph.D. psychologists and masters level therapists) are paid 40-50% less than the Medicaid physician rate. With another Medicaid benefit, allied health professionals (physician assistants) are paid 90% of the physician rate.

Compared with the other Medicaid mental health/substance abuse benefits, professional levels are paid less than 50-55% of the rates.

In addition, due to old, historical department rate settings, county mental health/substance abuse clinics are paid differently than private mental health clinics. **(632.89 to 51.42)**

Untreated Disorders Result In

- Loss of Productivity in the Workplace
- Family Problems
- Primary Care Costs
- Long-term Care Costs
- Impacts on the Criminal Justice System
- Impacts on the Educational System
- Homelessness
- Death

WORKPLACE PRODUCTIVITY:

The World Health Organization (WHO) publication entitled "The Burden of Disease" determined that mental disorders are the second leading health related reason for lost productivity in all market economy countries. In the same study WHO study, alcohol abuse was identified as 5th and drug abuse as the 7th leading cause of lost productivity.

Many studies have shown a direct correlation between untreated mental health problems and absenteeism and increased use of sick leave. One study showed that depressed workers have between 1.5 and 3.2 more short-term disability days in a given 30-day period than other workers. The average salary equivalent disability costs of these days range between $182 and $395 per depressed worker . (Kessler et al , Depression in the Workplace, Health Affairs, Volume 18, Number 5; 1999).

FAMILY PROBLEMS:

Nationally in the last five years, the Division of Family Services has seen a significant increase in the number of children entering foster care because of parental substance abuse. Parental substance abuse is now a factor in more than 50% of the children coming into care and foster care costs for these children constitute over 70% of total foster care costs. Parental substance abuse is a factor in 60 to 85% of the cases receiving child protective treatment services.

PRIMARY CARE COSTS

Studies have shown that those persons not receiving mental health services visited a medical doctor twice as often for unnecessary care than persons who receive treatment. (Lechnyr, R. , 1992 , Cost savings and effectiveness of mental health services; Journal of the Oregon Psychological Assn, 38, 8-12). The APA estimates that 50-70% of visits to primary care physicians are due to conditions that are caused or exacerbated by mental or emotional problems.

Healthcare costs of untreated persons who suffer from alcoholic and drug addiction are 100% higher than those for those who received treatment. Of all hospital admissions, at least 25% of those admitted suffer from alcoholism-related complications, and 65% of emergency room visits are for alcohol or other drug-related disorders (Join Together, 1998; Hazelden Foundation, Testimony Before the House Committee on Government Reform, 1999).

LONG TERM DISABILITY

Health plans with the highest financial barriers to mental health services have higher rates of long-term disability (LTD) claims, and companies with easier access to mental health services see a reduced incidence of LTD claims (Salkever et al, Millbank Quarterly, March 2000).

CRIMINAL JUSTICE

"Untreated persons with mental illnesses end up in the juvenile court, the jail system, in the public sector and on disability." National Advisory Mental Health Council (May, 1998).

Some studies put the rate for mental health disorders among adolescents in detentional or correctional facilities as high as 60% and estimate that 20% of these youth have severe mental disorders. It is also estimated that 60% of detained youth in juvenile facilities in America may have substance abuse disorders while the percentage of co-occurring mental health and substance abuse disorders is placed as high as 50%. (Parent, D., Leiter, U., Kennedy, S. "Conditions of Confinement": Juvenile Detention and Corrections Facilities: Research Report, Washington, D.C., Office of Juvenile Justice and Delinquency Prevention 1994.)

Nationwide, nearly 700,000 persons with active symptoms of a serious mental illness are admitted to jails each year. They make up about 7 percent of the jail population. Persons with serious mental illness are over-represented in jail and prison populations; many do not receive treatment. (Morris, S.M.; Steadman, H.J.; Veysey, B.M. Mental health services in United States jails: A Survey of Innovative Practices. Criminal Justice and Behavior 24:3-19, 1997).

A 1996 study by the Wisconsin Department of Corrections indicated that 32% of offenders booked into jail and nearly 65% of prison admissions have substance abuse problems.

From 1985 – 1995, the proportion of drug offenders in state prisons increased from 9% to 23% of all state prisoners.

EDUCATIONAL SYSTEM

When a serious emotional disturbance in a child or adolescent goes untreated, it can have grave personal, social, and economic impacts on the child and his or her family. The child may experience major problems interacting with others, fail in school, act out or show violent behavior, or have additional or more severe mental health problems as an adult. (CMHS, Children's and Adolescents' Mental Health, 2000)

Forty two percent of youth with SED earn a high school diploma as opposed to 76% of similarly aged youth in the general population. Students with behavioral problems and severe emotional disturbance are often removed from regular schools and general education settings. Placements out of the neighborhood schools and communities are often very costly to communities and disruptive to families. (US Dept of Education National Agenda for Achieving Better Results for Children with Serious Emotional Disturbance, Sept. 1994)

Commissioned by the NIAAA Task Force on College Drinking, the study reveals that drinking by college students age 18-24 contributes to an estimated 1,400 student deaths, 500,000 injuries, and 70,000 cases of sexual assault or date rape each year. It also estimates that more than one-fourth of college students that age have driven in the past year while under the influence of alcohol. (College Drinking Hazardous to Campus Communities, NIAAA 4/9/2002).

HOMELESSNESS

Approximately 600,000 Americans are homeless on any given night. An estimated one-third of these people have serious mental illness, and more than one-half also have an alcohol and/or drug problem. (The Center for Mental Health Services, Homeless Programs Branch.)

A study by the University of California at San Francisco determined that almost three-quarters of homeless individuals suffered from either a mental-health problem or addiction.

DEATH:

Suicide is the 2nd leading cause of death of young people in Wisconsin ages 15-34. In addition, 90-95% of those who commit suicide have a diagnosable mental disorder or substance use disorder.

Alcoholism is the 4th leading cause of death in Wisconsin (301 die annually in alcohol-related traffic crashes, and 839 die annually from alcohol poisoning and 363 from drug poisoning.) *Peterson, Dan (1988), Alcohol-Related Disease Impact in Wisconsin, Wisconsin Division of Health. Remington, Patrick (1994), Preventable Causes of Death in Wisconsin, Wisconsin Division of Health.

Examples of Benefits of Comprehensive Treatment

- According to the National Institute of Mental Health, the current success rate for the treatment of clinical depression is 80-90%.
  - In comparison, the overall success rate for cardiovascular disease is 45-50%.
- Substance abuse treatment is as effective as treatments for illnesses such as hypertension, diabetes, and asthma.
  - About 30-50% complete regimens of treatment and 30-80% suffer a reoccurrence of the illness (relapse).

Due to the widespread impact of untreated/undertreated mental health and substance use disorders, a holistic approach to treatment provides comprehensive benefits.

In the public sector, Wisconsin provides alcohol and other drug abuse services to some 55,600 persons each year spending about $63 million dollars; 40,000 of these receive treatment or rehab services. The economic benefit from these services is estimated to be over $443 million dollars in savings on welfare, criminal justice system costs, property damage and loss, unemployment, industry costs, medical care, injury, and early death. (2000 Bureau of Substance Abuse Services Annual Report).

The National Mental Health Association's Labor Day 2001 Report states that the economy could cut its losses by half - or by $56.5 billion - with an increased investment in the prevention and treatment of mental illness. Untreated and mistreated mental illness costs $105 billion in lost productivity, and $8 billion in costs from crime and welfare. Mental health treatment costs $92 billion, less than half of that. According to various cost-benefit studies, an additional 5.5 percent investment of $5 billion the country could yield between a two and 10 times savings rate by reducing absenteeism, unemployment, welfare and other factors.

Additional Data:

Wisconsin Health Care Information WITHIN for the Health Data Specialist:
Inpatient Costs: Total charges by Payer 2000

	Total	Medicare	Medical Assistance	Other Government	Private Insurance	Self Pay	Other or Unknown
MH	$292,225,666.65	$94,629,620.71	$51,327,071.31	$15,293,758.65	$89,386,503.67	$41,008,615.26	$580,097.05
AODA	$70,360,408.63	$13,813,274.73	$10,728,008.01	$7,467,185.51	$26,745,199.01	$11,564,048.47	$42,692.90
CS	$1,652,882,530.69	$1,007,846,678.37	$66,644,878.83	$18,613,348.25	$534,580,120.00	$24,965,438.57	$232,066.67
Trauma	$46,849,142.97	$4,266,879.88	$4,000,873.03	$486,789.11	$33,401,895.62	$4,415,698.30	$277,007.03

Inpatient Hospitalizations Average Charge by Payer

	Total	Medicare	Medical Assistance	Other Government	Private Insurance	Self Pay	Other or Unknown
MH	$8,447.78	$10,251.29	$8,580.25	$6,214.45	$6,381.10	$14,809.90	$4,114.16
AODA	$4,254.98	$5,286.37	$5,041.36	$3,133.52	$4,237.20	$3,742.41	$4,269.29
CS	$16,407.57	$15,955.78	$17,757.76	$17,107.86	$17,393.77	$12,666.38	$8,288.10
Trauma	$37,965.27	$28,071.58	$42,114.45	$40,565.76	$39,716.88	$35,045.22	$34,625.88

MH: Mental Diseases and Disorders
AODA: Alcohol/Drug Use & Alcohol/Drug-Induced Mental Disorders
CS: Circulatory System
Trauma: Multiple Significant Trauma

Mental Health and Substance Abuse Parity

Joyce Allen, MSW, Interim Director,
Bureau of Community Mental Health
and
Keith Lang, MSW, Interim Director,
Bureau of Substance Abuse Services

Public Sector

- Community Aids
- County Match and Overmatch
- Medicaid
- Medicare
- Mental Health Block Grant
- Substance Abuse Block Grant
- Specialized Grant Programs
- Projects for Assistance in Transition for Homelessness (PATH)
- Intoxicated Driver Program Surcharge
- GPR Funding - Forensic/IMD
- Temporary Assistance for Needy Families
- Drug Abuse Program Improvement Surcharge

Private Sector

- Funding Sources
  - Private Insurance (Employer-Provided)
  - Self-Pay
  - Services operated directly by Private Agencies

Target Population

- Mental Health
  - Persons with Serious Mental Illness
  - Persons with Severe and Persistent Mental Illness
  - Children with Severe Emotional Disturbances
- Substance Abuse
  - General Population of Adults and Adolescents

Mental Illness Prevalence Rate

- Mental Health Disorders Overall 19% or 889,227 individuals.
- Adults with Severe Persistent Mental Illness (SPMI) is 2.7% or 144,819 individuals.
- Adults with Serious Mental Illness (SMI) is 5.7% or 227,710 individuals.
- Children ages 5-18 with Severe Emotional Disturbance (SED) is estimated between 36,362 to 65,452.

Substance Use Disorder Prevalence Rate

- Adults in need of treatment for alcohol and drug use disorders is 9.8% or 409,700 individuals.
- Adolescents in need of treatment for alcohol or other drug use disorders is 8.3% or 40,350 adolescents.

Mental Health and Substance Abuse Client Services

- Detoxification
- Inpatient/IMD
- Hospitalization
- Crisis Intervention
- Residential Treatment
- Day Treatment
- Outpatient Counseling
- Community Support and Case Management
- Medication Management
- Symptom Management
- Disease Awareness and Education
- Vocational Supports
- Housing Assistance
- Prevention
- Peer Support/Mutual Support
- Other Rehabilitation Services

Certified Treatment Providers

- There are 1126 (July 2002 report) mental health and substance abuse programs certified by DHFS in the state.
- Includes private and publicly funded service providers.

Referral and Access Points to Public Treatment

- Mental Health and Substance Abuse Treatment Providers
- Primary Care Service Providers
- Crisis Services
- Hospitals
- Indian Health Centers
- Law Enforcement, Courts, and Corrections
- Other Human Services Providers and Public Agencies
- Schools
- Employee Assistance Programs

How Do People Obtain Publicly-Funded Mental Health and Substance Abuse Services?

- Medicaid-Eligible Individuals: Through Providers
- Individuals Not Medicaid-Eligible: Through County Human Service Systems

Medicaid-Eligible

- Entitlement
- Individuals Try to Find Providers
- Low Reimbursement Rates for MA Providers
- Many Private Providers Refuse to Provide MA-funded Services

Individuals Not Medicaid-Eligible: County Human Service Systems

- No Entitlement
- Voluntary Services
  - Limited County Funding Results in Waiting Lists
- Involuntary Services
  - Chapter 51-Involuntary Commitment
  - Chapter 55-Protective Services
  - Child Welfare
  - Other Court-Ordered Services

2001 Clients and Expenditures

Inpatient and Outpatient Services
Data from County Human Services Reporting System (HSRS)

- Mental Health
  - 94,722 Clients and
  - $319,806,437 Expenditures
- Substance Abuse
  - 58,063 Clients and
  - $70,408,609 Expenditures

Preliminary 2001 Medicaid Expenditures

Inpatient and Outpatient Services

- Mental Health
  - 41,764 Clients and
  - $106,126,996 Expenditures
- Substance Abuse
  - 2,965 Clients and
  - $6,322,333 Expenditures

How Do Insurance Limitations Affect the Individual?

- Limitations Result In:
  - Limited, Inadequate or No Treatment
  - Rationed Treatment
  - Increased Symptomatology
  - Increased Acuteness of Illness
  - Exhausted Private Insurance Benefits
  - Cost Shifted from Private to Public Sector
  - Increased Public Sector Usage

Public System Access Issues

- Limitations Result In:
  - Insufficient Funding for Levels of Care
  - Disrupted Continuity of Care
  - Waiting Lists
  - Restrictions on Available Appropriate Care
    - Severity of Diagnosis
    - Number of Public Sector Clients Accepted by Providers
    - Inadequate Reimbursement Levels for Providers
    - Detoxification (Not Billed as a Medical/Surgical Benefit)
    - Number of Treatment Visits

Untreated Disorders Result In

- Loss of Productivity in the Workplace
- Family Problems
- Primary Care Costs
- Long-term Care Costs
- Impacts on the Criminal Justice System
- Impacts on the Educational System
- Homelessness
- Death

Benefits of Comprehensive Treatment

- According to the National Institute of Mental Health, the current success rate for the treatment of clinical depression is 80-90%.
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- Substance abuse treatment is as effective as treatments for illnesses such as hypertension, diabetes, and asthma.
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As our presentation today outlines, the Department of Health and Family Services sees many positives to mental health parity, specifically for Wisconsin citizens needing care and treatment, and broadly, to the taxpayer funding the cost associated with our health care programs and services.

We respect the challenge facing this Legislative Council Study Committee and the Wisconsin Legislature in balancing costs for businesses purchasing health care insurance in the private market and the benefits of mental health parity legislation.

DHFS is not supporting specific legislation or a specific policy solution, but rather is presenting our experience with administering AODA and mental health programs and services.

We want to be of service to the Legislative Council committee and policymakers as the dialogue continues in Wisconsin on this very important public policy issue.

Vote Record passed

Committee on Health, Children, Families, Aging and Long Term Care

Date: 9/4

Moved by: Roessler Seconded by: Jauch

AB_____ SB 71 Clearinghouse Rule_____

AJR_____ SJR_____ Appointment_____

AR_____ SR_____ Other_____

A/S Amdt _____

A/S Amdt _____ to A/S Amdt _____

A/S Sub Amdt _____

A/S Amdt _____ to A/S Sub Amdt _____

A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:

☐ Passage ☐ Adoption ☐ Confirmation ☐ Concurrence ☐ Indefinite Postponement

☐ Introduction ☐ Rejection ☐ Tabling ☐ Nonconcurrence

Committee Member	Aye	No	Absent	Not Voting
Senator Carol Roessler	☒	☐	☐	☐
Senator Ted Kanavas	☒	☐	☐	☐
Senator Ronald Brown	☒	☐	☐	☐
Senator Robert Welch	☐	☒	☐	☐
Senator Dale Schultz	☒	☐	☐	☐
Senator Judith Robson	☒	☐	☐	☐
Senator Charles Chvala	☒	☐	☐	☐
Senator Robert Jauch	☒	☐	☐	☐
Senator Tim Carpenter	☒	☐	☐	☐
Totals:	8	1	____	____

open until 5pm

Page 1 of 1 ☒ Motion Carried ☐ Motion Failed

Halbur, Jennifer

From: Seaquist, Sara
Sent: Wednesday, September 24, 2003 12:32
To: Halbur, Jennifer
Subject: FW: SB71 & SB72
Importance: High

CR email...not a constit

-----Original Message-----
From: Penny Yakes [mailto:pyakes@pressenter.com]
Sent: Wednesday, September 24, 2003 12:23 PM
To: Sen.foti@legis.state.wi.us
Cc: sen.welch@legis.state.wi.us; sen.schultz@legis.state.wi.us; sen.robson@legis.state.wi.us; sen.kanavas@legis.state.wi.us; sen.jauch@legis.state.wi.us; sen.carpenter@legis.state.wi.us; sen.chvala@legis.state.wi.us; sen.roessler@legis.state.wi.us; sen.erpenbach@legis.state.wi.us; sen.risser@legis.state.wi.us; sen.erpenbach@legis.state.wi.us; sen.fitzgerald@legis.state.wi.us
Subject: SB71 & SB72
Importance: High

Dear Senators, As you are all aware I have been a relentless mother and strong advocate for my daughter regarding treatment for her eating disorder for the past 12 years. I know from our years of experience with her illness that mental health should be addressed with the same urgency as physical health. Focusing on early diagnosis and treatment in the patients own communities offers a high expectation of recovery. *This is the opposite of what we have now. A*bout 5 to 7 percent of adults have serious mental illnesses and 5 to 9 percent of children suffer emotional disturbances, according to The President's New Freedom Commission on Mental Health, a 22 member group formed in April 2002.

I am urging all of you to schedule,support, vote yes and pass bills B71 and SB72 during next week's floor session.

SB71 does not change current practice, *it merely codifies into law* practices that are already the standard for insurance companies.

SB72 *Is not a parity bill. It is a major compromise.* The Joint Legislative Council Committee endorsed the proposals as a bi-partisan compromise. As you know SB72 would not become law until 2005, but with the economy on the upswing and with my daughter's life and hundreds of other WI children's lives hanging by a tread I believe there is no excuse for delaying the implementation of this compromised proposal. The time has arrived for WI children and their working families to receive a cost-of-living increase in insurance coverage, which has remained the same since 1985.

Please help us help our children and our families. Thank you for you time and your support in my very personal life-saving advocacy.

Inpatient hospital treatment from $7,000 to $16,800, outpatient treatment from $2,000 to $3,100 and transitional treatment from $3,000 to $4,600. My daughter's life.....priceless.

Sincerely, Penny Yakes

1315 Wilson Street
Eau Claire, WI 54701
715.835.5410
pyakes@pressenter.com

Committee Meeting Attendance Sheet

Committee on Health, Children, Families, Aging and Long Term Care

Date: 7-22-03 **Meeting Type:** Public Hearing

Location: 411 South

Committee Member	Present	Absent	Excused
Senator Carol Roessler, Chairs	☒	☐	☐
Senator Ted Kanavas	☒	☐	☐
Senator Ronald Brown	☒	☐	☐
Senator Robert Welch	☒	☐	☐
Senator Dale Schultz	☒	☐	☐
Senator Judith Robson	☒	☐	☐
Senator Charles Chvala	☐	☐	☒
Senator Robert Jauch	☐	☐	☑
Senator Tim Carpenter	☒	☐	☐

excused

Totals: 7 ____ 2

Committee Meeting Attendance Sheet

Committee on Health, Children, Families, Aging and Long Term Care

Date: 7/22/03 **Meeting Type:** Executive Session

Location: 411 South

Committee Member	Present	Absent	Excused
Senator Carol Roessler, Chairs	☒	☐	☐
Senator Ted Kanavas	☒	☐	☐
Senator Ronald Brown	☒	☐	☐
Senator Robert Welch	☒	☐	☐
Senator Dale Schultz	☒	☐	☐
Senator Judith Robson	☒	☐	☐
Senator Charles Chvala	☐	~~☒~~	~~☐~~ ☑
Senator Robert Jauch	☐	~~☒~~	~~☐~~ ☑
Senator Tim Carpenter	☒	☐	☐
Totals:	7	~~2~~	2

SB 71/SB 72

Jermstad, Sara

From: Frank And Claire [ryan@terracom.net]
Sent: Wednesday, April 23, 2003 7:09 PM
To: Sen.roessler@legis.state.wi.us
Subject: Parity Bills

Dear Senator Roessler: We ask for your support for Senate Bills 71 and 72, which provide some relief to people with severe mental illness, and their families, regarding insurance benefits.

The bills were endorsed by the special Legislative Council Committee studying insurance parity, and they constitute a compromise. Actually, they are far from full parity and certainly do not end the discrimination in insurance benefits against people with serious and persistent mental illness.

You may know that 34 states have some sort of insurance fairness, or parity, written into their statutes. Wisconsin does not. You also might know that President Bush and former Gov. Tommy Thompson have endorsed parity, as has Sue Ann Thompson, the former governor's wife. Hundreds of legislators of both political parties across the nation also have endorsed it.

Untreated mental illness, which often is the result of lack of parity, costs American businesses, governments and families $79 billion a year in lost productivity, unemployment, broken lives, emergency room visits, homelessness and unnecessary use of prisons and jails.

Please support SB71 and SB72. Thousands of Wisconsin voters will thank you for it.

Sincerely,

Frank Ryan
President
National Alliance for the Mentally Ill--Wisconsin
4233 W. Beltline Highway
Madison, WI 53711
608-268-6000

Asbjornson, Karen

Ok - this bill is up tomorrow -K

B E

From: Marcia Larson [marcia@novaoshkosh.com]
Sent: Monday, July 21, 2003 1:14 PM
To: sen.roessler@legis.state.wi.us
Subject: Senate Bill 71

Hi Carol:

I just learned last Friday of tomorrow's meeting to review Senate Bill 71 regarding mandates for mental health and alcohol and drug treatment. Here's my take on it: obviously a mandate that has been in effect as long as 632.89 needs to be rethought. Insurance rates can't multiply many times over in a given number of years, while providers are forced to live with fixed limits over the same period of time.

One of the possible ramifications of raising the mandated limits, however, is that all levels of care will be managed even more stringently. In many instances we can't access the monies represented by the current mandate. Moreover, employers purchase in good faith what they believe are benefits for their employees, based on 632.89, that exist only on the paper they're written.

While I'm aware of the insurance industry's, as well as the Wisconsin Manufacturer's negative position regarding removal of the internal caps, I still believe that that concept is the key to building fairness into the mandate.

Bill 71 has some interesting, if not threatening, consequences for Nova Treatment Center. Here's the issue: some payers, hoping to save money, who formerly regarded Nova as an inpatient provider, have in the recent past relegated us to transitional living status. We haven't minded that too much because the cost of Nova's care is so reasonable that the existing transitional benefit covers a decent portion of our cost of care. The proposed transitional mandate of Bill 71 for transitional living would obviously cover even more. Vince Ritacca, with the anticipation of Bill 71, is thinking about getting clarification on this matter, as to what status we actually occupy. If Nova is relegated to a par with hospital inpatient status only, I think we could, worst case, be managed out of existence. (Some payers argue since treatment like Nova's is provided in a residential setting, they should be considered residential or transitional status). While Nova is a medically monitored program that meets the standards of clinical hours of HFS 75.11, payers associate anything called hospital inpatient with detox or exorbitant cost, a thing to manage to the nth degree with attention being given primarily to process, rather than actual monies spent/value etc.

Hope this frame of reference is useful for you. Thanks for your consideration in these matters.

Marcia

SB71 & 72

Jermstad, Sara

From: Rohrer, Daniel
Sent: Tuesday, July 15, 2003 11:43 AM
To: Jermstad, Sara
Subject: FW: Compromise Parity Bills for Mental Health and Substance Abuse

SB-72[1].pdf

CR inbox...

-----Original Message-----
From: Payne, Valerie
Sent: Tuesday, July 15, 2003 11:23 AM
To: kkinsey@arccommserv.com; ann.navera@aurora.org; Heffron, Tom; Deborah Dinkle; David Collins; Eileen Mallow; Englebert, Douglas; Steven Fernan; Roberta Gassman; John Townsend; Peg Lautenschlager; Larry Kleinsteiber; Nelson, Helene; Lili Crane; Sandra Hammer; Santala, Sinikka; David Steingraber; Tim Carpenter; Sally Tess; Kathleen Ware; Alyssa Whitney; Fernan, Steven DPI; Rass@dwave.net; Emanuel_scarbrough@excite.com; kevinbob@execpc.com; lhiggenbottom@hotmail.com; dshrout@impactinc.org; seidlm@kewaunee.co.org; Rep.Young; Sen.Roessler; francine@naspa.net; hert@northnet.net; mark.cook@starband.net; mflorek@tellurian.org
Cc: Desmamwc@aol.com; Allen, Joyce; Robert Young; Gilmore, Claude; Lang, Keith; Lorenzini, Terri; McCarville, Jamie; Nelson, Gary; Oppor, Louis; Ritacca, Vincent; Schraepfer-Derke, Rita; kwolf@facstaff.wisc.edu; sjcrowley@facstaff.wisc.edu
Subject: Compromise Parity Bills for Mental Health and Substance Abuse

** High Priority **

Budget Update:

The Senate Health, Children, Families, Aging and Long-Term Care Committee will consider two bills that would improve private health insurance coverage of mental illness and addictive disorders.

The bills, Senate Bill 71 and Senate Bill 72, were developed by a Legislative Council Study Committee on Mental Health Parity. These bills would increase the mandated minimum coverage currently in statute and more clearly define how costs are allocated to these minimums.

Public Hearings:

The Senate Health, Children, Families, Aging and Long-Term Care Committee will hold a public hearing on these bills as follows:

Date: Tuesday, July 22, 2003
Time: 10:00 a.m.
Location: Room 201SE in the State Capitol.

Individuals providing verbal testimony are called in order of when they registered to speak, so be prepared to wait. It is also possible to prepare written testimony and leave it with the committee clerk or mail it to the committee chairperson at:

Sen. Carol Roessler

Rm. 8 South State Capitol
P.O. Box 7882
Madison, WI 53707-7882

You may also wish to contact other members of the committee: Sens. Ted Kanavas, Ron Brown, Robert Welch, Dale Schultz, Judith Robson, Chuck Chvala, Robert Jauch and Tim Carpenter.

Talking Points:

* Senate Bill 71 relates to treatment of prescription drug costs, diagnostic testing, and payments under mandated insurance coverage of treatment for nervous and mental disorders and alcoholism and other drug abuse problems and granting rule-making authority. This bill defines what costs can be allocated to the mandated minimums, i.e., it would clarify that costs for medications do not count against the mandated minimums.

* Senate Bill 72 relates to increasing the limits for insurance coverage of nervous or mental health disorders or alcoholism or other drug abuse problems. The original intent in 1985 was that mandated minimums would increase based on inflation; however, the Legislature subsequently removed that requirement from statutes.

* Evidence only continues to increase that mental illness and addictive disorders can be effectively treated at rates comparable to other illnesses that are covered by health insurance. Advanced brain imaging techniques are allowing scientists to see the real impact of these disorders on the brain and the real impact of treatment.

* Most individuals who need treatment will not use even the current mandated minimum amount of $7000 in a year. However, insurance has generally been designed to address the needs of those who have more catastrophic expenses. Families continue to be bankrupted by paying for mental health and substance abuse treatment. Families with children with serious emotional disturbances continue to face the choice of giving up custody of their child to ensure they have access to treatment. These proposed bills would help such families.

* These bills represent a significant compromise as the Legislature has not enacted full parity for mental illness and substance abuse disorders.

Senate Bill 71 and 72:

Senate Bill 71 can be viewed at the following web address:
http://www.legis.state.wi.us/2003/data/SB71hst.html

Senate Bill 72 can be viewed at the following web address:
http://www.legis.state.wi.us/2003/data/SB72hst.html

Thank You.

~~~~~~

Valerie Payne, SAPTBG/SCAODA Planner
State of Wisconsin, Department of Health and Family Services
Bureau of Mental Health and Substance Abuse Services
Division of Disability and Elder Services
1 W. Wilson Street, P.O. Box 7851
Madison, WI 53707-7851
Phone: (608) 267-7707 / Fax: (608) 266-1533 / TTY: (608) 266-7376
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E-Mail: paynevk@dhfs.state.wi.us