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## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

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**2009 Assembly Bill 512**

**Assembly Amendment 1, as  
Amended**

*Memo published:* December 18, 2009

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This memorandum summarizes Assembly Amendment 1, and Assembly Amendment 1 to Assembly Amendment 1, to 2009 Assembly Bill 512, relating to health insurance coverage of nervous and mental disorders, alcoholism, and other drug abuse problems.

### Assembly Bill 512

Assembly Bill 512 modifies the current statutes that require what group insurance policies must cover with respect to nervous and mental disorders and alcoholism and other drug abuse conditions (referred to in this memorandum as “mental health/AODA conditions”). Current law specifies minimum dollar coverage amounts that must be covered. The bill repeals these minimum dollar coverage amounts and specifies that for a group health benefit plan and a governmental self-insured health plan that provides coverage for mental health/AODA conditions, and for an individual health plan that provides coverage for these conditions, the exclusions and limitations; deductibles; copayments; coinsurance; annual and lifetime payment limitations; out-of-pocket limits; out-of-network charges; day, visit, or appointment limits; limitations regarding referrals to nonphysician providers and treatment programs; and duration and frequency of coverage limits under the plan; may be **no more restrictive** for coverage of the treatment of mental health/AODA conditions **than the most common or frequent type of treatment limitations applied to substantially all other coverage** under the plan. In addition, the bill specifies that the plan must include in any overall deductible amount or annual or lifetime limit or out-of-pocket limit for the plan, expenses incurred for treatment of mental health/AODA conditions and for required screenings. (These requirements are referred to in this memorandum as “parity requirements”.)

The bill includes a provision that states that if a group health benefit plan, individual health benefit plan, or governmental self-insured health plan, that provides coverage for the treatment of mental health/AODA conditions would provide coverage for at least one annual physical examination, the plan must provide coverage for both of the following: (1) for a person who has coverage under the plan, **at least one annual screening** for mental health/AODA conditions to determine the person’s need for treatment; and (2) for a female who has coverage under the plan, with respect to any pregnancy at least

one screening during the pregnancy for prepartum depression and at least one screening within six months after a live birth, stillbirth, or miscarriage for postpartum depression to determine the person's need for treatment.

The bill also creates a provision that states that such a plan must make available, on request, the criteria for determining medical necessity under the plan with respect to coverage of mental health/AODA conditions. If such a plan denies any particular insured person coverage for mental health/AODA conditions, the plan must, upon request, make the reason for the denial available.

### **Assembly Amendment 1**

Assembly Amendment 1 makes the following changes to the bill:

- The amendment deletes the provisions regarding annual screenings for mental health/AODA conditions, and screenings during and after pregnancy.
- The amendment provides that a group health benefit plan or a self-insured health plan that provides coverage for mental health/AODA conditions may elect to be exempt from the parity requirements under the bill during any plan year following any plan year in which, as a result of the parity requirements, there is an increase under the plan in the total cost of coverage for the treatment of physical conditions and mental health/AODA conditions that exceeds 2% in the first plan year in which those requirements apply, or 1% in subsequent plan years. The cost increase may not be determined until the plan has complied with the requirements for at least the first six months of the plan year for which the increase is to be determined. In addition, the cost increase must be determined and certified by a qualified actuary. The plan must notify the Commissioner of Insurance and all enrollees that it has elected to be exempt. If a plan elects to be exempt from the parity requirements, the plan would be subject to the minimum dollar coverage amounts specified in current law.
- The amendment provides that an employer that provides health care coverage for its employees through a group health benefit plan may elect to be exempt from the parity requirements during a plan year if, on the first day of the plan year, the employer will have fewer than 10 eligible employees. An employer that qualifies for this exemption must notify the Commissioner of Insurance and all enrollees that it has elected to be exempt. If a plan elects to be exempt from the parity requirements, the plan would be subject to the minimum dollar coverage amounts specified in current law.
- The amendment provides that the statutes on coverage of mental health/AODA conditions do not apply to treatment for autism spectrum disorder. Coverage requirements for that disorder are set forth in a different section of current law.

### **Assembly Amendment 1 to Assembly Amendment 1**

Assembly Amendment 1 to Assembly Amendment 1 makes changes in the provisions described in the second and third bullet points above. Specifically, for the exemption for a cost increase, the amendment to the amendment provides that an employer that provides health care coverage for its employees through a plan may elect to be exempt from the parity requirements for that employer's plan.

In addition, the amendment to the amendment specifies that the determination and certification made by a qualified actuary would be at the expense of the employer. If an employer elects for the employer's plan to be exempt from the parity requirements, it must comply with the minimum dollar coverage amount specified in current law.

In addition, the amendment to the amendment modifies the language with regard to an exemption for small employers. Under the amendment to the amendment, an employer with fewer than 10 eligible employees may elect for the employer's plan to be exempt from the parity requirements.

**Legislative History**

The Assembly Committee on Health and Healthcare Reform recommended adoption of Assembly Amendment 1 to Assembly Amendment 1, adoption of Assembly Amendment 1, and passage of the bill as amended, all on votes of Ayes, 8; Noes, 5.

RNS:jal