

## 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*

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## 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

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## Private Sector

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

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## 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

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## 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.

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## 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.

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## 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

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## 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.

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## 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

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**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

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**Medicaid-Eligible**

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

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**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

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## 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

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## 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

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## 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

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## 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

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## 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

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## 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).

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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.



## 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.

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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.

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[www.wmc.org](http://www.wmc.org)

## **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.

Randy Spangle, Director of Ashland Area AODA Council, 715-682-5207; he wanted to call and thank CR for her interest and continued support of AODA-related legislation, etc., especially for SB 71 and SB 72 which are up tomorrow. (I'm not sure how those two relate to AODA but he thought they did) He doesn't necessarily need a call back, just wanted CR to know. (2:00pm, 7/21/03) -dpr

## Jermstad, Sara

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**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 and SB72. 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 statutes.

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

**Vote Record**

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

Date: 9-4  
 Moved by: Roessler      Seconded by: Robson  
 AB \_\_\_\_\_ SB 72      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:
- |                                       |                                    |                                       |   |  |
|---------------------------------------|------------------------------------|---------------------------------------|---|--|
| <input type="checkbox"/> Passage      | <input type="checkbox"/> Adoption  | <input type="checkbox"/> Confirmation | <input type="checkbox"/> Concurrence    | <input type="checkbox"/> Indefinite Postponement |
| <input type="checkbox"/> Introduction | <input type="checkbox"/> Rejection | <input type="checkbox"/> Tabling      | <input type="checkbox"/> Nonconcurrence |  |

| <u>Committee Member</u> | <u>Aye</u>                          | <u>No</u>                           | <u>Absent</u>            | <u>Not Voting</u>        |
|-------------------------|-------------------------------------|-------------------------------------|--------------------------|--------------------------|
| Senator Carol Roessler  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| Senator Ted Kanavas     | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Senator Ronald Brown    | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Senator Robert Welch    | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Senator Dale Schultz    | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Senator Judith Robson   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| Senator Charles Chvala  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| Senator Robert Jauch    | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| Senator Tim Carpenter   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |

Totals: 5 4 \_\_\_\_\_

*open until 5pm*