

**2007 DRAFTING REQUEST**

**Bill**

Received: **01/09/2008**

Received By: **pkahler**

Wanted: **Soon**

Identical to LRB:

For: **Sheryl Albers (608) 266-8531**

By/Representing: **Kurt Simatic**

This file may be shown to any legislator: **NO**

Drafter: **pkahler**

May Contact:

Addl. Drafters:

Subject: **Insurance - health**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Albers@legis.wisconsin.gov**

Carbon copy (CC:) to:

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Mental health parity bill

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**Instructions:**

See Attached

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler 01/09/2008	kfollett 01/10/2008		_____			S&L
/1			jfrantze 01/10/2008	_____	cduerst 01/10/2008		S&L
/2	pkahler 01/15/2008	kfollett 01/15/2008	pgreensl 01/15/2008	_____	cduerst 01/15/2008	sbasford 01/16/2008	

FE Sent For: "1/2" @ intro. 3-11-08

<END>

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/1		12 kif 1/15	jfrantze 01/10/2008	_____ 1/15 seb	cduerst 01/10/2008		

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/?	pkahler	1/16/f 1/10		Self 1/10			

FE Sent For:

<END>

STATE OF WISCONSIN - LEGISLATIVE REFERENCE BUREAU

LRB

Research (608-266-0341)

Library (608-266-7040)

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LRB

1-9

Kurt Simatic

Repalbas

companion to SB 375

"mental health parity"

3



State of Wisconsin  
2007 - 2008 LEGISLATURE

3794/1  
LRB-1049/5  
PJK:kjfrs  
GF

Thurs on  
Friday

**2007 SENATE BILL 375**

No Changes

January 4, 2008 - Introduced by Senators HANSEN, LEHMAN, BRESKE, CARPENTER, ERPENBACH, HARS DORF, MILLER, RISSER, ROBSON, VINEHOUT and WIRCH, cosponsored by Representatives ALBERS, BENEDICT, BERCEAU, BLACK, BOYLE, CULLEN, FIELDS, GRIGSBY, HINTZ, KAUFERT, MASON, NELSON, A. OTT, POCAN, POPE-ROBERTS, SEIDEL, SHERIDAN, SHERMAN, SHILLING, SINICKI, SMITH, SOLETSKI, TOLES, TURNER, YOUNG and ZEPNICK. Referred to Committee on Health, Human Services, Insurance, and Job Creation.

Regen

1 **AN ACT to repeal** 632.89 (1) (em), 632.89 (2) (a) 2., 632.89 (2) (b), 632.89 (2) (c)  
2 2., 632.89 (2) (d) 2., 632.89 (2) (dm) 2., 632.89 (3m), 632.89 (6) and 632.89 (7);  
3 **to renumber** 632.89 (2m) and 632.89 (5); **to renumber and amend** 632.89 (2)  
4 (a) 1., 632.89 (2) (c) 1., 632.89 (2) (d) 1., 632.89 (2) (dm) 1. and 632.89 (2) (e); **to**  
5 **amend** 40.51 (8), 40.51 (8m), 46.10 (8) (d), 46.10 (14) (a), 66.0137 (4), 120.13 (2)  
6 (g), 185.981 (4t), 185.983 (1) (intro.), 301.12 (8) (d), 301.12 (14) (a), 632.89 (title),  
7 632.89 (2) (title) and 632.89 (5) (title); **to repeal and recreate** 632.89 (1) (b);  
8 and **to create** 111.91 (2) (qm), 609.86, 632.89 (1) (er), 632.89 (2p), 632.89 (3) and  
9 632.89 (5) (a) (title) of the statutes; **relating to:** health insurance coverage of  
10 nervous and mental disorders, alcoholism, and other drug abuse problems.

**Analysis by the Legislative Reference Bureau**

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 (mental health and substance abuse problems) in the minimum amount of the lesser of: 1) the expenses of 30 days of



**SENATE BILL 375**

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 mental health and substance 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 for the treatment of mental health and substance 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. Transitional treatment arrangements include 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. If a group health insurance policy provides coverage for both inpatient and outpatient hospital services, the total coverage for all types of treatment for mental health and substance problems is not required to exceed \$7,000, or the equivalent benefits measured in services rendered, in a policy year.

This bill removes the specified minimum amounts of coverage that a group health insurance policy must provide for the treatment of mental health and substance abuse problems but retains the requirements with respect to providing the coverage. Except for group plans providing limited benefits, the bill specifically applies the requirements to all types of group health benefit plans, including defined network plans, insurance plans offered by the state, and self-insured health plans of the state and municipalities.

In addition, the bill requires group and individual health benefit plans and governmental self-insured plans that provide coverage for the treatment of mental health and substance abuse problems and that would cover at least one annual physical examination to cover at least one annual screening for a covered individual to determine the need for treatment of mental health and substance abuse problems and for a female covered under the plan at least one screening during a 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 need for treatment. The bill also imposes a new requirement that the coverage under group health benefit plans and governmental self-insured health plans for the treatment of mental health and substance abuse problems must be the same as the coverage under those plans for the treatment of physical conditions. This requirement for equal coverage applies to such coverage components as deductibles, copayments, annual and lifetime limits, and medical necessity definitions. The bill does not require individual health benefit plans to cover the treatment of mental health and substance abuse problems but, if an individual health benefit plan does cover the treatment of any of those conditions, the individual health benefit plan must provide the same coverage for that treatment as it does for the treatment of physical conditions.

**SENATE BILL 375**

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

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

1           **SECTION 1.** 40.51 (8) of the statutes, as affected by 2007 Wisconsin Act 36, is  
2 amended to read:

3           40.51 (8) Every health care coverage plan offered by the state under sub. (6)  
4 shall comply with ss. 631.89, 631.90, 631.93 (2), 631.95, 632.72 (2), 632.746 (1) to (8)  
5 and (10), 632.747, 632.748, 632.83, 632.835, 632.85, 632.853, 632.855, 632.87 (3) to  
6 ~~(5)~~ (6), 632.89, 632.895 (5m) and (8) to (15), and 632.896.

7           **SECTION 2.** 40.51 (8m) of the statutes, as affected by 2007 Wisconsin Act 36, is  
8 amended to read:

9           40.51 (8m) Every health care coverage plan offered by the group insurance  
10 board under sub. (7) shall comply with ss. 631.95, 632.746 (1) to (8) and (10), 632.747,  
11 632.748, 632.83, 632.835, 632.85, 632.853, 632.855, 632.89, and 632.895 (11) to (15).

12           **SECTION 3.** 46.10 (8) (d) of the statutes is amended to read:

13           46.10 (8) (d) After due regard to the case and to a spouse and minor children  
14 who are lawfully dependent on the property for support, compromise or waive any  
15 portion of any claim of the state or county for which a person specified under sub. (2)  
16 is liable, but not any claim payable by an insurer under s. 632.89 (2) or ~~(2m)~~ (4m) or  
17 by any other 3rd party.

18           **SECTION 4.** 46.10 (14) (a) of the statutes is amended to read:

19           46.10 (14) (a) Except as provided in pars. (b) and (c), liability of a person  
20 specified in sub. (2) or s. 46.03 (18) for inpatient care and maintenance of persons  
21 under 18 years of age at community mental health centers, a county mental health

**SENATE BILL 375****SECTION 4**

1 complex under s. 51.08, the centers for the developmentally disabled, the Mendota  
2 Mental Health Institute, and the Winnebago Mental Health Institute or care and  
3 maintenance of persons under 18 years of age in residential, nonmedical facilities  
4 such as group homes, foster homes, treatment foster homes, subsidized  
5 guardianship homes, residential care centers for children and youth, and juvenile  
6 correctional institutions is determined in accordance with the cost-based fee  
7 established under s. 46.03 (18). The department shall bill the liable person up to any  
8 amount of liability not paid by an insurer under s. 632.89 (2) or ~~(2m)~~ (4m) or by other  
9 3rd-party benefits, subject to rules that include formulas governing ability to pay  
10 promulgated by the department under s. 46.03 (18). Any liability of the patient not  
11 payable by any other person terminates when the patient reaches age 18, unless the  
12 liable person has prevented payment by any act or omission.

13 **SECTION 5.** 66.0137 (4) of the statutes, as affected by 2007 Wisconsin Act 36,  
14 is amended to read:

15 66.0137 (4) SELF-INSURED HEALTH PLANS. If a city, including a 1st class city, or  
16 a village provides health care benefits under its home rule power, or if a town  
17 provides health care benefits, to its officers and employees on a self-insured basis,  
18 the self-insured plan shall comply with ss. 49.493 (3) (d), 631.89, 631.90, 631.93 (2),  
19 632.746 (10) (a) 2. and (b) 2., 632.747 (3), 632.85, 632.853, 632.855, 632.87 (4) and,  
20 (5), and (6), 632.89, 632.895 (9) to (15), 632.896, and ~~767.25 (4m)~~ (d) 767.513 (4).

21 **SECTION 6.** 111.91 (2) (qm) of the statutes is created to read:

22 111.91 (2) (qm) The requirements under s. 632.89 relating to coverage of  
23 screening and treatment for nervous and mental disorders and alcoholism and other  
24 drug abuse problems.

**SENATE BILL 375**

1           **SECTION 7.** 120.13 (2) (g) of the statutes, as affected by 2007 Wisconsin Act 36,  
2 is amended to read:

3           120.13 (2) (g) Every self-insured plan under par. (b) shall comply with ss.  
4 49.493 (3) (d), 631.89, 631.90, 631.93 (2), 632.746 (10) (a) 2. and (b) 2., 632.747 (3),  
5 632.85, 632.853, 632.855, 632.87 (4) and (5), and (6), 632.89, 632.895 (9) to (15),  
6 632.896, and ~~767.25 (4m) (d)~~ 767.513 (4).

7           **SECTION 8.** 185.981 (4t) of the statutes, as affected by 2007 Wisconsin Act 36,  
8 is amended to read:

9           185.981 (4t) A sickness care plan operated by a cooperative association is  
10 subject to ss. 252.14, 631.17, 631.89, 631.95, 632.72 (2), 632.745 to 632.749, 632.85,  
11 632.853, 632.855, 632.87 (2m), (3), (4), and (5), and (6), 632.89, 632.895 (10) to (15),  
12 and 632.897 (10) and chs. 149 and 155.

13           **SECTION 9.** 185.983 (1) (intro.) of the statutes, as affected by 2007 Wisconsin  
14 Act 36, is amended to read:

15           185.983 (1) (intro.) Every such voluntary nonprofit sickness care plan shall be  
16 exempt from chs. 600 to 646, with the exception of ss. 601.04, 601.13, 601.31, 601.41,  
17 601.42, 601.43, 601.44, 601.45, 611.67, 619.04, 628.34 (10), 631.17, 631.89, 631.93,  
18 631.95, 632.72 (2), 632.745 to 632.749, 632.775, 632.79, 632.795, 632.85, 632.853,  
19 632.855, 632.87 (2m), (3), (4), and (5), and (6), 632.89, 632.895 (5) and (9) to (15),  
20 632.896, and 632.897 (10) and chs. 609, 630, 635, 645, and 646, but the sponsoring  
21 association shall:

22           **SECTION 10.** 301.12 (8) (d) of the statutes is amended to read:

23           301.12 (8) (d) After due regard to the case and to a spouse and minor children  
24 who are lawfully dependent on the property for support, compromise or waive any  
25 portion of any claim of the state or county for which a person specified under sub. (2)

**SENATE BILL 375****SECTION 10**

1 is liable, but not any claim payable by an insurer under s. 632.89 (2) or ~~(2m)~~ (4m) or  
2 by any other 3rd party.

3 **SECTION 11.** 301.12 (14) (a) of the statutes is amended to read:

4 301.12 (14) (a) Except as provided in pars. (b) and (c), liability of a person  
5 specified in sub. (2) or s. 301.03 (18) for care and maintenance of persons under 17  
6 years of age in residential, nonmedical facilities such as group homes, foster homes,  
7 treatment foster homes, child caring institutions, and juvenile correctional  
8 institutions is determined in accordance with the cost-based fee established under  
9 s. 301.03 (18). The department shall bill the liable person up to any amount of  
10 liability not paid by an insurer under s. 632.89 (2) or ~~(2m)~~ (4m) or by other 3rd-party  
11 benefits, subject to rules which include formulas governing ability to pay  
12 promulgated by the department under s. 301.03 (18). Any liability of the resident not  
13 payable by any other person terminates when the resident reaches age 17, unless the  
14 liable person has prevented payment by any act or omission.

15 **SECTION 12.** 609.86 of the statutes is created to read:

16 **609.86 Coverage of alcoholism and other diseases.** Defined network  
17 plans are subject to s. 632.89.

18 **SECTION 13.** 632.89 (title) of the statutes is amended to read:

19 **632.89 (title) ~~Required coverage of~~ Coverage of mental disorders,**  
20 **alcoholism, and other diseases.**

21 **SECTION 14.** 632.89 (1) (b) of the statutes is repealed and recreated to read:

22 632.89 (1) (b) "Health benefit plan" has the meaning given in s. 632.745 (11).

23 **SECTION 15.** 632.89 (1) (em) of the statutes is repealed.

24 **SECTION 16.** 632.89 (1) (er) of the statutes is created to read:

## SENATE BILL 375

1           632.89 (1) (er) "Self-insured health plan" has the meaning given in s. 632.745  
2           (24).

3           SECTION 17. 632.89 (2) (title) of the statutes is amended to read:

4           632.89 (2) (title) REQUIRED COVERAGE FOR GROUP PLANS.

5           SECTION 18. 632.89 (2) (a) 1. of the statutes is renumbered 632.89 (2) (a) and  
6           amended to read:

7           632.89 (2) (a) *Conditions covered.* A group ~~or blanket disability insurance~~  
8           ~~policy issued by an insurer~~ health benefit plan and a self-insured health plan shall  
9           provide coverage of nervous and mental disorders and alcoholism and other drug  
10           abuse problems if required by pars. (c) to (dm) and as provided in pars. ~~(b)~~ (c) to (e)  
11           (dm) and subs. (2p) and (3).

12           SECTION 19. 632.89 (2) (a) 2. of the statutes is repealed.

13           SECTION 20. 632.89 (2) (b) of the statutes is repealed.

14           SECTION 21. 632.89 (2) (c) 1. of the statutes is renumbered 632.89 (2) (c) and  
15           amended to read:

16           632.89 (2) (c) ~~Minimum coverage~~ Coverage of inpatient hospital services. If a  
17           group ~~or blanket disability insurance policy issued by an insurer~~ health benefit plan  
18           or a self-insured health plan provides coverage of any inpatient hospital treatment,  
19           the ~~policy plan~~ shall provide coverage for inpatient hospital services for the  
20           treatment of conditions under par. (a) 1. ~~as provided in subd. 2.~~

21           SECTION 22. 632.89 (2) (c) 2. of the statutes is repealed.

22           SECTION 23. 632.89 (2) (d) 1. of the statutes is renumbered 632.89 (2) (d) and  
23           amended to read:

24           632.89 (2) (d) ~~Minimum coverage~~ Coverage of outpatient services. If a group ~~or~~  
25           ~~blanket disability insurance policy issued by an insurer~~ health benefit plan or a

**SENATE BILL 375****SECTION 23**

1 self-insured health plan provides coverage of any outpatient treatment, the policy  
2 plan shall provide coverage for outpatient services for the treatment of conditions  
3 under par. (a) ~~1. as provided in subd. 2.~~

4 **SECTION 24.** 632.89 (2) (d) 2. of the statutes is repealed. ✓

5 **SECTION 25.** 632.89 (2) (dm) 1. of the statutes is renumbered 632.89 (2) (dm)  
6 and amended to read:

7 632.89 (2) (dm) ~~Minimum coverage~~ Coverage of transitional treatment  
8 arrangements. If a group or blanket disability insurance policy issued by an insurer  
9 health benefit plan or a self-insured health plan provides coverage of any inpatient  
10 hospital treatment or any outpatient treatment, the policy plan shall provide  
11 coverage for transitional treatment arrangements for the treatment of conditions  
12 under par. (a) ~~1. as provided in subd. 2.~~

13 **SECTION 26.** 632.89 (2) (dm) 2. of the statutes is repealed. ✓

14 **SECTION 27.** 632.89 (2) (e) of the statutes is renumbered 632.89 (5) (b) and  
15 amended to read:

16 632.89 (5) (b) ~~Exclusion~~ Certain health care plans. This subsection section does  
17 not apply to a health care plan offered by a limited service health organization, as  
18 defined in s. 609.01 (3), or by a preferred provider plan, as defined in s. 609.01 (4),  
19 that is not a defined network plan, as defined in s. 609.01 (1b).

20 **SECTION 28.** 632.89 (2m) of the statutes is renumbered 632.89 (4m). ✓

21 **SECTION 29.** 632.89 (2p) of the statutes is created to read: ✓

22 632.89 (2p) **ADDITIONAL REQUIRED COVERAGE OF SCREENINGS.** If a group health  
23 benefit plan, individual health benefit plan, or self-insured health plan that  
24 provides coverage for the treatment of nervous and mental disorders and alcoholism

**SENATE BILL 375**

1 and other drug abuse problems would provide coverage of at least one annual  
2 physical examination, the plan shall provide coverage of all of the following:

3 (a) For an individual who has coverage under the plan, at least one annual  
4 screening for nervous and mental disorders and alcoholism and other drug abuse  
5 problems to determine the individual's need for treatment.

6 (b) For a female individual who has coverage under the plan, with respect to  
7 any pregnancy at least one screening during the pregnancy for prepartum  
8 depression and at least one screening within 6 months after a live birth, stillbirth,  
9 or miscarriage for postpartum depression to determine the individual's need for  
10 treatment.

11 **SECTION 30.** 632.89 (3) of the statutes is created to read:

12 632.89 (3) EQUAL COVERAGE REQUIREMENT. (a) *Group plans.* A group health  
13 benefit plan or a self-insured health plan that provides coverage for the treatment  
14 of nervous and mental disorders and alcoholism and other drug abuse problems shall  
15 provide the same coverage for that treatment that it provides for the treatment of  
16 physical conditions.

17 (b) *Individual plans.* If an individual health benefit plan provides coverage for  
18 the treatment of nervous or mental disorders or alcoholism or other drug abuse  
19 problems, the individual health benefit plan shall provide the same coverage for that  
20 treatment that it provides for the treatment of physical conditions.

21 (c) *All coverage components.* The requirements under this subsection apply to  
22 all coverage-related components, including rates; exclusions and limitations;  
23 deductibles; copayments; coinsurance; annual and lifetime payment limits;  
24 out-of-pocket limits; out-of-network charges; day, visit, or appointment limits;  
25 duration or frequency of coverage; and medical necessity definitions.



**SENATE BILL 375**

**SECTION 31**

1           **SECTION 31.** 632.89 (3m) of the statutes is repealed.

2           **SECTION 32.** 632.89 (5) (title) of the statutes is amended to read:

3           632.89 (5) (title) ~~MEDICARE EXCLUSION~~ EXCLUSIONS.

4           **SECTION 33.** 632.89 (5) of the statutes is renumbered 632.89 (5) (a).

5           **SECTION 34.** 632.89 (5) (a) (title) of the statutes is created to read:

6           632.89 (5) (a) (title) *Medicare*.

7           **SECTION 35.** 632.89 (6) of the statutes is repealed.

8           **SECTION 36.** 632.89 (7) of the statutes is repealed.

9           **SECTION 37. Initial applicability.**

10           (1) This act first applies to all of the following:

11           (a) Except as provided in paragraphs (b) and (c), health benefit plans that are  
12 issued or renewed, and self-insured governmental health plans that are established,  
13 extended, modified, or renewed, on the effective date of this paragraph.

14           (b) Health benefit plans covering employees who are affected by a collective  
15 bargaining agreement containing provisions inconsistent with this act that are  
16 issued or renewed on the earlier of the following:

17           1. The day on which the collective bargaining agreement expires.

18           2. The day on which the collective bargaining agreement is extended, modified,  
19 or renewed.

20           (c) Self-insured governmental health plans covering employees who are  
21 affected by a collective bargaining agreement containing provisions inconsistent  
22 with this act that are established, extended, modified, or renewed on the earlier of  
23 the following:

24           1. The day on which the collective bargaining agreement expires.



4:30

18 South

association group policy

pws  
600.01 (1)(b) 3.

①

add a provision like  
see 632.897 (1m) ←

to capture out-of-state  
association plans

②

de AIRSP → x ref to 632.89??

what is current requirement??

3794

include in albers bill (not as an  
amendment)

for Hansen - as amend

Sen Hansen

Rep Albers

me, Eric Genish (SB 375), Kurt Simatic (LRB-3794)  
Fred Neppel, Eileen Mallon, Jennifer Stegall

modified in same manner as amendment  
to SB357



State of Wisconsin  
2007 - 2008 LEGISLATURE

LRB-3794/1

PJK:kjf

*reviser*

**2007 BILL**

*by Thursday*

*repeal* ↓

1 **AN ACT to repeal** 632.89 (1) (em), 632.89 (2) (a) 2., 632.89 (2) (b), 632.89 (2) (c)  
2 2., 632.89 (2) (d) 2., 632.89 (2) (dm) 2., 632.89 (3m), 632.89 (6) and 632.89 (7);  
3 **to renumber** 632.89 (2m) and 632.89 (5); **to renumber and amend** 632.89 (2)  
4 (a) 1., 632.89 (2) (c) 1., 632.89 (2) (d) 1., 632.89 (2) (dm) 1. and 632.89 (2) (e); **to**  
5 **amend** 40.51 (8), 40.51 (8m), 46.10 (8) (d), 46.10 (14) (a), 66.0137 (4), 120.13 (2)  
6 (g), 185.981 (4t), 185.983 (1) (intro.), 301.12 (8) (d), 301.12 (14) (a), 632.89 (title),  
7 632.89 (2) (title) and 632.89 (5) (title); **to repeal and recreate** 632.89 (1) (b);  
8 and **to create** 111.91 (2) (qm), 609.86, 632.89 (1) (er), 632.89 (2p), 632.89 (3) and  
9 632.89 (5) (a) (title) of the statutes; **relating to:** health insurance coverage of  
10 nervous and mental disorders, alcoholism, and other drug abuse problems.

***Analysis by the Legislative Reference Bureau***

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 (mental health and substance abuse problems) in the minimum amount of the lesser of: 1) the expenses of 30 days of

**BILL**

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 mental health and substance 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 for the treatment of mental health and substance 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. Transitional treatment arrangements include 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. If a group health insurance policy provides coverage for both inpatient and outpatient hospital services, the total coverage for all types of treatment for mental health and substance problems is not required to exceed \$7,000, or the equivalent benefits measured in services rendered, in a policy year.

This bill removes the specified minimum amounts of coverage that a group health insurance policy must provide for the treatment of mental health and substance abuse problems but retains the requirements with respect to providing the coverage. Except for group plans providing limited benefits, the bill specifically applies the requirements to all types of group health benefit plans, including defined network plans, insurance plans offered by the state, and self-insured health plans of the state and municipalities.

In addition, the bill requires group and individual health benefit plans and governmental self-insured plans that provide coverage for the treatment of mental health and substance abuse problems and that would cover at least one annual physical examination to cover at least one annual screening for a covered individual to determine the need for treatment of mental health and substance abuse problems and for a female covered under the plan at least one screening during a 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 need for treatment. The bill also imposes a new requirement that the coverage under group health benefit plans and governmental self-insured health plans for the treatment of mental health and substance abuse problems must be the same as the coverage under those plans for the treatment of physical conditions. This requirement for equal coverage applies to such coverage components as deductibles, copayments, annual and lifetime limits, and medical necessity definitions. The bill does not require individual health benefit plans to cover the treatment of mental health and substance abuse problems but, if an individual health benefit plan does cover the treatment of any of those conditions, the individual health benefit plan must provide the same coverage for that treatment as it does for the treatment of physical conditions.

**BILL**

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

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

1           **SECTION 1.** 40.51 (8) of the statutes, as affected by 2007 Wisconsin Act 36, is  
2 amended to read:

3           40.51 (8) Every health care coverage plan offered by the state under sub. (6)  
4 shall comply with ss. 631.89, 631.90, 631.93 (2), 631.95, 632.72 (2), 632.746 (1) to (8)  
5 and (10), 632.747, 632.748, 632.83, 632.835, 632.85, 632.853, 632.855, 632.87 (3) to  
6 ~~(5)~~ (6), 632.89, 632.895 (5m) and (8) to (15), and 632.896.

7           **SECTION 2.** 40.51 (8m) of the statutes, as affected by 2007 Wisconsin Act 36, is  
8 amended to read:

9           40.51 (8m) Every health care coverage plan offered by the group insurance  
10 board under sub. (7) shall comply with ss. 631.95, 632.746 (1) to (8) and (10), 632.747,  
11 632.748, 632.83, 632.835, 632.85, 632.853, 632.855, 632.89, and 632.895 (11) to (15).

12           **SECTION 3.** 46.10 (8) (d) of the statutes is amended to read:

13           46.10 (8) (d) After due regard to the case and to a spouse and minor children  
14 who are lawfully dependent on the property for support, compromise or waive any  
15 portion of any claim of the state or county for which a person specified under sub. (2)  
16 is liable, but not any claim payable by an insurer under s. 632.89 (2) or ~~(2m)~~ (4m) or  
17 by any other 3rd party.

18           **SECTION 4.** 46.10 (14) (a) of the statutes is amended to read:

19           46.10 (14) (a) Except as provided in pars. (b) and (c), liability of a person  
20 specified in sub. (2) or s. 46.03 (18) for inpatient care and maintenance of persons  
21 under 18 years of age at community mental health centers, a county mental health

**BILL**

**SECTION 4**

1 complex under s. 51.08, the centers for the developmentally disabled, the Mendota  
 2 Mental Health Institute, and the Winnebago Mental Health Institute or care and  
 3 maintenance of persons under 18 years of age in residential, nonmedical facilities  
 4 such as group homes, foster homes, treatment foster homes, subsidized  
 5 guardianship homes, residential care centers for children and youth, and juvenile  
 6 correctional institutions is determined in accordance with the cost-based fee  
 7 established under s. 46.03 (18). The department shall bill the liable person up to any  
 8 amount of liability not paid by an insurer under s. 632.89 (2) or ~~(2m)~~ (4m) or by other  
 9 3rd-party benefits, subject to rules that include formulas governing ability to pay  
 10 promulgated by the department under s. 46.03 (18). Any liability of the patient not  
 11 payable by any other person terminates when the patient reaches age 18, unless the  
 12 liable person has prevented payment by any act or omission.

13 **SECTION 5.** 66.0137 (4) of the statutes, as affected by 2007 Wisconsin Act 36,  
 14 is amended to read:

15 66.0137 (4) SELF-INSURED HEALTH PLANS. If a city, including a 1st class city, or  
 16 a village provides health care benefits under its home rule power, or if a town  
 17 provides health care benefits, to its officers and employees on a self-insured basis,  
 18 the self-insured plan shall comply with ss. 49.493 (3) (d), 631.89, 631.90, 631.93 (2),  
 19 632.746 (10) (a) 2. and (b) 2., 632.747 (3), 632.85, 632.853, 632.855, 632.87 (4) and,  
 20 (5), and (6), 632.89, 632.895 (9) to (15), 632.896, and 767.25-~~(4m)~~-(d) 767.513 (4).

21 **SECTION 6.** 111.91 (2) (qm) of the statutes is created to read:

22 111.91 (2) (qm) The requirements under s. 632.89 relating to coverage of  
 23 screening and treatment for nervous and mental disorders and alcoholism and other  
 24 drug abuse problems.

Insert 4-12

**BILL**

1           **SECTION 7.** 120.13 (2) (g) of the statutes, as affected by 2007 Wisconsin Act 36,  
2 is amended to read:

3           120.13 (2) (g) Every self-insured plan under par. (b) shall comply with ss.  
4 49.493 (3) (d), 631.89, 631.90, 631.93 (2), 632.746 (10) (a) 2. and (b) 2., 632.747 (3),  
5 632.85, 632.853, 632.855, 632.87 (4) and (5), and (6), 632.89, 632.895 (9) to (15),  
6 632.896, and ~~767.25 (4m) (d)~~ 767.513 (4).

7           **SECTION 8.** 185.981 (4t) of the statutes, as affected by 2007 Wisconsin Act 36,  
8 is amended to read:

9           185.981 (4t) A sickness care plan operated by a cooperative association is  
10 subject to ss. 252.14, 631.17, 631.89, 631.95, 632.72 (2), 632.745 to 632.749, 632.85,  
11 632.853, 632.855, 632.87 (2m), (3), (4), and (5), and (6), 632.89, 632.895 (10) to (15),  
12 and 632.897 (10) and chs. 149 and 155.

13           **SECTION 9.** 185.983 (1) (intro.) of the statutes, as affected by 2007 Wisconsin  
14 Act 36, is amended to read:

15           185.983 (1) (intro.) Every such voluntary nonprofit sickness care plan shall be  
16 exempt from chs. 600 to 646, with the exception of ss. 601.04, 601.13, 601.31, 601.41,  
17 601.42, 601.43, 601.44, 601.45, 611.67, 619.04, 628.34 (10), 631.17, 631.89, 631.93,  
18 631.95, 632.72 (2), 632.745 to 632.749, 632.775, 632.79, 632.795, 632.85, 632.853,  
19 632.855, 632.87 (2m), (3), (4), and (5), and (6), 632.89, 632.895 (5) and (9) to (15),  
20 632.896, and 632.897 (10) and chs. 609, 630, 635, 645, and 646, but the sponsoring  
21 association shall:

22           **SECTION 10.** 301.12 (8) (d) of the statutes is amended to read:

23           301.12 (8) (d) After due regard to the case and to a spouse and minor children  
24 who are lawfully dependent on the property for support, compromise or waive any  
25 portion of any claim of the state or county for which a person specified under sub. (2)



**BILL****SECTION 10**

1 is liable, but not any claim payable by an insurer under s. 632.89 (2) or ~~(2m)~~ (4m) or  
2 by any other 3rd party.

3 **SECTION 11.** 301.12 (14) (a) of the statutes is amended to read:

4 301.12 (14) (a) Except as provided in pars. (b) and (c), liability of a person  
5 specified in sub. (2) or s. 301.03 (18) for care and maintenance of persons under 17  
6 years of age in residential, nonmedical facilities such as group homes, foster homes,  
7 treatment foster homes, child caring institutions, and juvenile correctional  
8 institutions is determined in accordance with the cost-based fee established under  
9 s. 301.03 (18). The department shall bill the liable person up to any amount of  
10 liability not paid by an insurer under s. 632.89 (2) or ~~(2m)~~ (4m) or by other 3rd-party  
11 benefits, subject to rules which include formulas governing ability to pay  
12 promulgated by the department under s. 301.03 (18). Any liability of the resident not  
13 payable by any other person terminates when the resident reaches age 17, unless the  
14 liable person has prevented payment by any act or omission.

15 **SECTION 12.** 609.86 of the statutes is created to read:

16 **609.86 Coverage of alcoholism and other diseases.** Defined network  
17 plans are subject to s. 632.89.

18 **SECTION 13.** 632.89 (title) of the statutes is amended to read:

19 **632.89 (title) ~~Required coverage of~~ Coverage of mental disorders,**  
20 **alcoholism, and other diseases.**

21 **SECTION 14.** 632.89 (1) (b) of the statutes is repealed and recreated to read:

22 632.89 (1) (b) "Health benefit plan" has the meaning given in s. 632.745 (11).

23 **SECTION 15.** 632.89 (1) (em) of the statutes is repealed.

24 **SECTION 16.** 632.89 (1) (er) of the statutes is created to read:

## BILL

1           632.89 (1) (er) "Self-insured health plan" has the meaning given in s. 632.745  
2 (24).

3           **SECTION 17.** 632.89 (2) (title) of the statutes is amended to read:

4           632.89 (2) (title) REQUIRED COVERAGE FOR GROUP PLANS.

5           **SECTION 18.** 632.89 (2) (a) 1. of the statutes is renumbered 632.89 (2) (a) and  
6 amended to read:

7           632.89 (2) (a) *Conditions covered.* A group ~~or blanket disability insurance~~  
8 ~~policy issued by an insurer~~ health benefit plan and a self-insured health plan shall  
9 provide coverage of nervous and mental disorders and alcoholism and other drug  
10 abuse problems if required by pars. (c) to (dm) and as provided in pars. ~~(b)~~ (c) to (e)  
11 (dm) and subs. (2p) and (3).

12           **SECTION 19.** 632.89 (2) (a) 2. of the statutes is repealed.

13           **SECTION 20.** 632.89 (2) (b) of the statutes is repealed.

14           **SECTION 21.** 632.89 (2) (c) 1. of the statutes is renumbered 632.89 (2) (c) and  
15 amended to read:

16           632.89 (2) (c) ~~Minimum coverage~~ Coverage of inpatient hospital services. If a  
17 group ~~or blanket disability insurance policy issued by an insurer~~ health benefit plan  
18 or a self-insured health plan provides coverage of any inpatient hospital treatment,  
19 the ~~policy~~ plan shall provide coverage for inpatient hospital services for the  
20 treatment of conditions under par. (a) 1. ~~as provided in subd. 2.~~

21           **SECTION 22.** 632.89 (2) (c) 2. of the statutes is repealed.

22           **SECTION 23.** 632.89 (2) (d) 1. of the statutes is renumbered 632.89 (2) (d) and  
23 amended to read:

24           632.89 (2) (d) ~~Minimum coverage~~ Coverage of outpatient services. If a group ~~or~~  
25 ~~blanket disability insurance policy issued by an insurer~~ health benefit plan or a

**BILL****SECTION 23**

1 self-insured health plan provides coverage of any outpatient treatment, the ~~policy~~  
2 plan shall provide coverage for outpatient services for the treatment of conditions  
3 under par. (a) ~~1. as provided in subd. 2.~~

4 **SECTION 24.** 632.89 (2) (d) 2. of the <sup>✓</sup>statutes is repealed.

5 **SECTION 25.** 632.89 (2) (dm) 1. of the <sup>✓</sup>statutes is renumbered 632.89 (2) (dm)  
6 and amended to read:

7 632.89 (2) (dm) ~~Minimum coverage~~ Coverage of transitional treatment  
8 arrangements. If a group or blanket disability insurance policy issued by an insurer  
9 health benefit plan or a self-insured health plan provides coverage of any inpatient  
10 hospital treatment or any outpatient treatment, the ~~policy~~ plan shall provide  
11 coverage for transitional treatment arrangements for the treatment of conditions  
12 under par. (a) ~~1. as provided in subd. 2.~~

13 **SECTION 26.** 632.89 (2) (dm) 2. of the <sup>✓</sup>statutes is repealed.

14 **SECTION 27.** 632.89 (2) (e) of the <sup>✓</sup>statutes is renumbered 632.89 (5) (b) and  
15 amended to read:

16 632.89 (5) (b) ~~Exclusion~~ Certain health care plans. This subsection section does  
17 not apply to a health care plan offered by a limited service health organization, as  
18 defined in s. 609.01 (3), or by a preferred provider plan, as defined in s. 609.01 (4),  
19 that is not a defined network plan, as defined in s. 609.01 (1b).

20 **SECTION 28.** 632.89 (2m) of the <sup>✓</sup>statutes is renumbered 632.89 (4m).

21 **SECTION 29.** 632.89 (2p) of the <sup>✓</sup>statutes is created to read:

22 632.89 (2p) **ADDITIONAL REQUIRED COVERAGE OF SCREENINGS.** If a group health  
23 benefit plan, individual health benefit plan, or self-insured health plan that  
24 provides coverage for the treatment of nervous and mental disorders and alcoholism

**BILL**

1 and other drug abuse problems would provide coverage of at least one annual  
2 physical examination, the plan shall provide coverage of all of the following:

3 (a) For an individual who has coverage under the plan, at least one annual  
4 screening for nervous and mental disorders and alcoholism and other drug abuse  
5 problems to determine the individual's need for treatment.

6 (b) For a female individual who has coverage under the plan, with respect to  
7 any pregnancy at least one screening during the pregnancy for prepartum  
8 depression and at least one screening within 6 months after a live birth, stillbirth,  
9 or miscarriage for postpartum depression to determine the individual's need for  
10 treatment.

11 **SECTION 30.** 632.89 (3) of the statutes is created to read:

12 632.89 (3) EQUAL COVERAGE REQUIREMENT. (a) *Group plans.* A group health  
13 benefit plan or a self-insured health plan that provides coverage for the treatment  
14 of nervous and mental disorders and alcoholism and other drug abuse problems shall  
15 provide the same coverage for that treatment that it provides for the treatment of  
16 physical conditions.

17 (b) *Individual plans.* If an individual health benefit plan provides coverage for  
18 the treatment of nervous or mental disorders or alcoholism or other drug abuse  
19 problems, the individual health benefit plan shall provide the same coverage for that  
20 treatment that it provides for the treatment of physical conditions.

21 (c) *All coverage components.* The requirements under this subsection apply to  
22 all coverage-related components, including rates; exclusions and limitations;  
23 deductibles; copayments; coinsurance; annual and lifetime payment limits;  
24 out-of-pocket limits; out-of-network charges; day, visit, or appointment limits;  
25 duration or frequency of coverage; and medical necessity definitions.

**BILL**

1           **SECTION 31.** 632.89 (3m) of the statutes is repealed.

2           **SECTION 32.** 632.89 (5) (title) of the statutes is amended to read:

3           632.89 (5) (title) ~~MEDICARE EXCLUSION~~ EXCLUSIONS.

4           **SECTION 33.** 632.89 (5) of the statutes is renumbered 632.89 (5) (a).

5           **SECTION 34.** 632.89 (5) (a) (title) of the statutes is created to read:

6           632.89 (5) (a) (title) *Medicare*.

7           **SECTION 35.** 632.89 (6) of the statutes is repealed.

8           **SECTION 36.** 632.89 (7) of the statutes is repealed.

9           **SECTION 37. Initial applicability.**

10           (1) This act first applies to all of the following:

11           (a) Except as provided in paragraphs (b) and (c), health benefit plans that are  
12           issued or renewed, and self-insured governmental health plans that are established,  
13           extended, modified, or renewed, on the effective date of this paragraph.

14           (b) Health benefit plans covering employees who are affected by a collective  
15           bargaining agreement containing provisions inconsistent with this act that are  
16           issued or renewed on the earlier of the following:

- 17           1. The day on which the collective bargaining agreement expires.
- 18           2. The day on which the collective bargaining agreement is extended, modified,
- 19           or renewed.

20           (c) Self-insured governmental health plans covering employees who are  
21           affected by a collective bargaining agreement containing provisions inconsistent  
22           with this act that are established, extended, modified, or renewed on the earlier of  
23           the following:

- 24           1. The day on which the collective bargaining agreement expires.

Insert 10-6  
→



**2007-2008 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-3794/2ins  
PJK:.....

**INSERT 4-12**

1           **SECTION 1.** 49.345 (8) (d) of the statutes, as created by 2007 Wisconsin Act 20,  
2 is amended to read:

3           49.345 (8) (d) After due regard to the case and to a spouse and minor children  
4 who are lawfully dependent on the property for support, compromise or waive any  
5 portion of any claim of the state or county for which a person specified under sub. (2)  
6 is liable, but not any claim payable by an insurer under s. 632.89 (2) or ~~(2m)~~ <sup>✓</sup>(4m) or  
7 by any other 3rd party.

8 History: 2007 a. 20 ss. 893, 1507.

9           **SECTION 2.** 49.345 (14) (a) of the statutes, as created by 2007 Wisconsin Act 20,  
10 is amended to read:

11           49.345 (14) (a) Except as provided in pars. (b) and (c), liability of a person  
12 specified in sub. (2) or s. 49.32 (1) for care and maintenance of persons under 18 years  
13 of age in residential, nonmedical facilities such as group homes, foster homes,  
14 treatment foster homes, subsidized guardianship homes, and residential care  
15 centers for children and youth is determined in accordance with the cost-based fee  
16 established under s. 49.32 (1). The department shall bill the liable person up to any  
17 amount of liability not paid by an insurer under s. 632.89 (2) or ~~(2m)~~ <sup>✓</sup>(4m) or by other  
18 3rd-party benefits, subject to rules that include formulas governing ability to pay  
19 established by the department under s. 49.32 (1). Any liability of the person not  
20 payable by any other person terminates when the person reaches age 18, unless the  
liable person has prevented payment by any act or omission.

History: 2007 a. 20 ss. 893, 1507.

**(END OF INSERT 4-12)**

**INSERT 10-6**

*Ins. 10-6*

1           **SECTION 3.** 632.89 (5m) of the statutes is created to read: ✓

2           632.89 (5m) SPECIAL APPLICABILITY. Notwithstanding s. 600.01 (1) (b) 3., this  
3           section applies to any group health benefit plan that would otherwise be exempt  
4           under s. 600.01 (1) (b) 3. if at least 150 of the certificate holders or insureds are  
5           residents of this state.

(END OF INSERT 10-6)



**Basford, Sarah**

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**From:** Simatic, Kurt  
**Sent:** Wednesday, January 16, 2008 10:28 AM  
**To:** LRB.Legal  
**Subject:** Draft Review: LRB 07-3794/2 Topic: Mental health parity bill

Please Jacket LRB 07-3794/2 for the ASSEMBLY.