



Wisconsin Office of the
COMMISSIONER
OF INSURANCE

2023 SB 1060 (LRB-5930/1)

Tony Evers, Governor of Wisconsin
Nathan Houdek, Commissioner of Insurance

February 26, 2024

Mr. Richard Champagne
Acting Senate Chief Clerk
State Capitol
P.O. Box 7882
Madison, WI 53707

Mr. Ted Blazel
Assembly Chief Clerk
17 West Main Street
Room 401
Madison, WI 53703

Re: Social and Financial Impact Report—2023 Senate Bill 1060—relating to coverage of treatment for mental health or substance use disorders under health insurance policies and plans.

Dear Acting Chief Clerk Champagne and Chief Clerk Blazel:

Pursuant to Wis. Stat. § 601.423, the Office of the Commissioner of Insurance (OCI) is submitting a social and financial impact report on 2023 Senate Bill 1060 relating to coverage of treatment for mental health or substance use disorders under health insurance policies and plans.

Coverage Mandates

OCI has determined that 2023 Senate Bill 1060 requires a social and financial impact report for the following reasons:

1. Permit a person insured under the policy, plan, or contract to obtain treatment or services from a particular type of health care provider, including, but not limited to, requiring a health maintenance organization, preferred provider plan, limited service health organization or other plan to select a particular type of health care provider for participation in the plan.
2. Provide coverage for the treatment of a particular disease, condition, or other health care need.
3. Requires a particular benefit design or imposes conditions on cost sharing under an insurance policy, plan, or contract for the treatment of a particular disease, condition, or other health care need, for a particular type of health care treatment or service, or for the provision of equipment, supplies, or drugs used in connection with a health care treatment or service.

Social Impact

2023 Senate Bill 1060 requires health insurance policies and self-insured governmental health plans that provide coverage of mental health or behavioral health items or services to cover in each policy year at least 28 appointments or visits with a mental health care provider to treat mental health or substance use disorders or as many appointments or visits with a mental health care provider as are necessary to meet the insured's treatment goals. The bill prohibits health insurance policies and self-insured governmental health plans from requiring prior authorization for the coverage of appointments or visits under the bill.

Further, this bill requires OCI to prepare a preliminary actuarial estimate of the average cost for all qualified health plans, as defined under federal law, attributable to the coverage required under the bill. If the preliminary actuarial estimate of the average cost for all qualified health plans is an increase of greater than 10 percent, OCI may not enforce the coverage requirements under the bill.

OCI is unable to determine how many residents may benefit from the proposed coverage mandate to treat mental health or substance use disorders.

Financial Impact

OCI is unable to determine what the financial impact of the proposed bill would be on insurers.

OCI is unable to determine the extent to which the proposed requirements could impact administrative and claims costs of insurers or premium costs of consumers and employers.

Please contact Sarah Smith at (608) 209-6309 or Sarah.Smith2@wisconsin.gov if you have any questions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Nathan Houdek". The signature is written in a cursive style with a large initial "N" and "H".

Nathan Houdek
Commissioner

Cc: The Honorable Tony Evers, Governor of Wisconsin