



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

July 14, 2025

Mr. Cyrus Anderson
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—2025 Senate Bill 342 & Assembly Bill 338—relating to coverage of treatment for mental health or substance use disorders under health insurance policies and plans.

Dear Chief Clerks Anderson and Blazel:

Pursuant to Wis. Stat. § 601.423, the Office of the Commissioner of Insurance (OCI) is submitting a social and financial impact report on 2025 Senate Bill 342 and Assembly Bill 338 relating to coverage of treatment for mental health or substance use disorders under health insurance policies and plans.

Coverage Mandates

OCI has determined that 2025 Senate Bill 342 and Assembly Bill 338 require 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

These bills require 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. These bills prohibit health insurance policies and self-insured governmental health plans from requiring prior authorization for the coverage of these appointments or visits.

Further, these bills require 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 these

bills. 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 these bills.

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

Financial Impact

OCI is unable to determine what the financial impact of the proposed bills would have on insurers.

OCI is unable to determine the extent to which the proposed requirements will impact the administrative and claims costs of insurers, as well as the premium costs of consumers and employers.

Please contact Sarah Smith at (608) 267-9460 or Sarah.Smith2@wisconsin.gov if you have any questions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Nathan Houdek', written in a cursive style.

Nathan Houdek
Commissioner

Cc: The Honorable Tony Evers, Governor of Wisconsin