



PAUL TITTL

STATE REPRESENTATIVE • 25TH ASSEMBLY DISTRICT

Assembly Committee on Health
Assembly Bill 556 Testimony
December 13, 2017

First of all, I would like to thank you, Chairman Sanfelippo and committee members, for allowing me to testify before you today on Assembly Bill 556.

According to estimates from the Kaiser Family Foundation and the Department of Health Services (DHS), there is an estimated shortage of between 215 and 262 psychiatrists in Wisconsin. Twelve counties have no psychiatrist.

With my testimony I have included the *Mental & Behavioral Health Fact Sheet* prepared by the Wisconsin Medical Society. It presents very helpful data in regard to the psychiatrist shortage in Wisconsin.

Because you have that fact sheet, I'll not repeat what is presented there. However, I want to emphasize this shortage has a significant effect on the mental health of people throughout the state. Further, it touches all people: rich and poor, young and old, working and non-working.

This bill creates a tax incentive for psychiatrists graduating from medical school who stay in Wisconsin to practice psychiatry. The tax incentive also extends to psychiatrists from other states who move to Wisconsin to practice. Under the bill, an eligible psychiatrist could claim a deduction for the first \$200,000 of income earned in a taxable year. The deduction could be claimed for a total of ten years.

The bill contains a clawback provision. If a psychiatrist leaves the state within the ten-year period, the state can recover the total amount deducted.

Attracting psychiatrists to our state by providing favorable income tax treatment should lead to more a larger number of psychiatrists practicing in the state and improved mental health of people throughout the state.

The Department of Revenue fiscal estimate indicates the bill will decrease tax revenues. However, it doesn't tell the whole story, because the DOR estimate is limited to tax considerations. The bill is designed to encourage more psychiatrists to practice in the state. As more psychiatrists practice here, we gain longer term because these are psychiatrists not currently practicing in Wisconsin. The bottom line is that it costs us nothing to gain more psychiatrists and saves us from being in crisis mode.

The costs for mental health matters are staggering. During the 2014-15 fiscal year, the Mendota Health Facility in Madison had 97,463 patient days amounting to nearly \$103 million. That represents just over \$1,050 per day.

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When people suffer with untreated mental health matters, their situations often get worse, become more difficult to address, and spill over into family, social and employment settings, leading to significantly higher financial and social costs.

This bill is an effort to address this situation today rather than deferring it to our children and grandchildren and letting them deal with the problem after it has grown even larger.

Finally, in response to a Department of Revenue technical memorandum on the bill, I will amend it to state the deduction would take effect for taxable years beginning after December 31, 2017 and to clarify the four year statute of limitations does not appl

y to the clawback provision.

That concludes my testimony. Thanks for hearing this bill today. I would be happy to answer any questions you might have.

Mental & Behavioral Health Fact Sheet

Background

In Wisconsin, over 1.45 million people are dealing with a mental or behavioral health (MBH) issue. According to Mental Health America (MHA), Wisconsin has the 4th-highest prevalence of mental illness in the nation. These illnesses and conditions range from moderate to severe and encompass depression, anxiety, bipolar disorder, schizophrenia, personality disorders and addiction and substance abuse. They affect not only those struggling with MBH conditions, but their families, friends and coworkers. In addition, the Department of Health Services (DHS) estimates that **MBH illnesses adversely affect Wisconsin's economy by close to \$9 billion annually** in terms of lowered productivity, public assistance and crime.

Problem

With so many people adversely affected by MBH illness, Wisconsin is unable to meet the demand of all those who need help. Recent estimates from DHS show that **only 20 percent of those who seek treatment from public providers received care**, with children receiving services at twice the rate of adults. This is even lower than the national average, with estimates from the Substance Abuse and Mental Health Services Administration showing that 25 percent of those who seek treatment received care. Despite providers' best attempts to provide services to those most in need, there simply aren't enough providers.

Wisconsin has a shortage of 215 to 262 psychiatrists, according to estimates from Kaiser Family Foundation (KFF) and DHS, respectively. Twelve counties have no psychiatrists, and 12 others share one or fewer psychiatrists. This shortage is exacerbated by a rapidly aging workforce with more than a quarter of all psychiatrists over age 65, and close to half being over age 55.

The issue is further compounded by the stigma that society attributes to people with MBH illnesses.

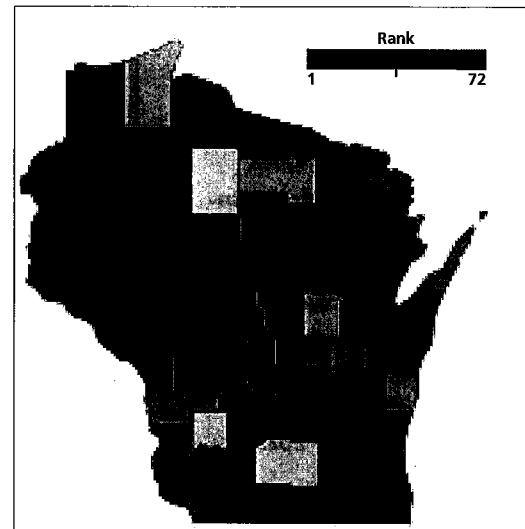
Plan

Mental and behavioral health issues require immediate action to address the significant needs currently facing our communities. The Wisconsin Medical Society is confronting these issues through invigorated physician leadership. The Society will serve as a convener of physician groups, MBH workforce personnel, nonprofit organizations, educators, legislators and local, county and state agencies and will seek to improve the MBH climate in Wisconsin by:

- **Reducing Stigma**
- **Increasing Access to Care**
- **Building the Workforce**

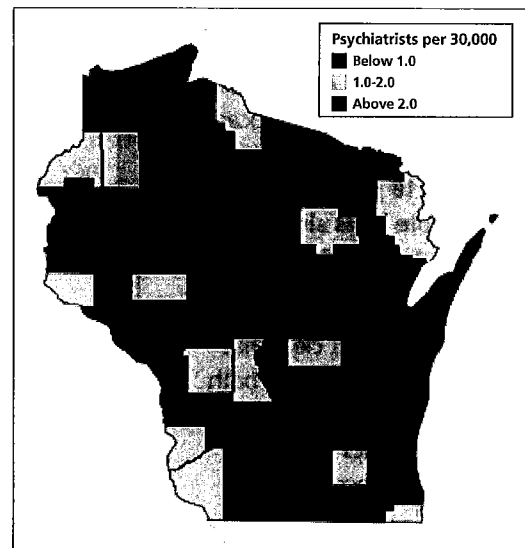
Improving MBH in Wisconsin is complicated and will involve collaboration among multiple groups. Together we can improve the health of those in need and the overall health of Wisconsin.

Mental and Behavioral Health Incidence per 1,000 residents (ranked)



Source: 2017 Needs Assessment, Wisconsin Department of Health Services

Counties below HPSA designation (1 per 30,000)



Source: Wisconsin Medical Society Database



TO: Members, Assembly Committee on Health

**FROM: Justin Schoen, MD, President
Wisconsin Psychiatric Association**

DATE: December 13, 2017

RE: Support for Assembly Bill 556

The Wisconsin Psychiatric Association represents over 400 psychiatrists throughout Wisconsin. Psychiatry is the specialized practice of medicine devoted to the brain, brain chemistry and mental illnesses and disorders relating to mood, behavior, cognition and perception. "Addiction Medicine" is a distinct medical specialty devoted to the diagnosis and treatment of drug, alcohol, gambling and other addictions. Not surprisingly, a great many addiction specialists are also dual-trained in psychiatry.

With an aging population, an opioid-abuse epidemic and a variety of other social and healthcare challenges, Wisconsin faces an ever-increasing need for highly trained psychiatrists and addiction medicine specialists. AB 556 is designed to help encourage newly graduated psychiatrists to stay in Wisconsin, and help recruit psychiatrists to Wisconsin. We thank Representative Tittl for bringing AB 556 forward and enthusiastically recommend its passage.

The challenges to bringing more psychiatrists to Wisconsin are many. Among them, but by no means an exhaustive list: encouraging medical students to choose psychiatry as a specialty; funding for psychiatric-residency programs and slots; competition from other states facing similar situations.

Many of these challenges require more than legislative solutions and despite ongoing efforts may take years to realize significant results. By way of a temporary tax incentive, AB 556 offers one immediate tool Wisconsin employers and psychiatric practices can utilize in recruiting students to psychiatry, and graduates to Wisconsin.

More will need to be done to meet Wisconsin's psychiatric and addiction medicine needs in the coming years, but there will be no one magic solution. AB 556 can be one of those tools, and offers the potential for immediate help. Please support AB 556.