



## **Summary of Provisions of the *Wisconsin Mental Health and Substance Abuse Parity Act, SB-362/AB-512***

### **Existing Law**

- In Wisconsin, any group health insurance policy that provides inpatient or outpatient hospital services must cover mental health and substance abuse treatment.
- Currently, mental health and substance abuse treatment must cover, at a minimum, \$7,000 for inpatient and \$2,000 for outpatient services, minus applicable cost-sharing under the policy. Existing law also requires transitional treatment services up to a minimum of \$3,000, minus any applicable cost sharing. In total, any group policy must cover up to \$7,000, or the equivalent benefits measured in services, per year.

### **Changes Proposed by the *Wisconsin Mental Health and Substance Abuse Parity Act***

- While continuing the requirement that group health plans provide mental health and substance abuse treatment coverage, this legislation would remove the specified minimum amounts of coverage.
- The bill instead requires of group health plans and government self-insured plans that deductibles, co-pays, out-of-pocket limits, limitations regarding referrals to non-physicians and other treatment limitations for mental health and substance abuse treatment may be no more restrictive than the most common or frequent treatment limitations that apply to substantially all other coverage under the plan.
- The bill would apply the new requirements to most 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.
- This parity requirement would also apply to individual plans if they provide mental health or substance abuse coverage.
- Expenses incurred for the treatment of mental health and substance abuse must be included in the overall deductible, annual or lifetime limit, or out-of-pocket limit under the plan.

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- This bill provides for a cost increase exemption if there is an increase in the total cost of coverage for the treatment of physical conditions and nervous and mental disorders and alcoholism and other drug abuse problem by a percentage that exceeds either of the following:
  1. Two percent in the first plan year in which the requirements apply, and
  2. One percent in any plan year after the first plan year in which the requirements apply, in accordance with the federal *Wellstone-Domenici Act* requirements. If an exemption is elected, the current law's mandated minimum coverage requirements will apply.
- The bill also allows for small employers of less than 10 employees to elect to be exempt from the bill's requirements. If an exemption is elected, the current law's mandated minimum coverage requirements will apply.