



Updates on the *Wisconsin Mental Health and Substance Parity Act (SB-362 / AB-512)*

The *Wisconsin Parity Act* will provide equitable mental health and substance abuse treatment benefits for many of the 700,000 Wisconsin residents left uncovered by the federal *Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (P.L. 110-343)*.

The *Wisconsin Parity Act* recognizes the concerns of small business. Using language consistent with federal guidelines as outlined in the federal *Wellstone-Domenici Act*, new amendments to the *Wisconsin Parity Act* will allow employers with fewer than 10 employees to opt out for one plan year at a time of the parity provision. The amendments also permit larger employers who can show that parity has increased their insurance costs by two percent in the first year, and then one percent in later plan years, to opt out for one plan year at a time as well.



The *Wisconsin Parity Act* will have no state fiscal impact. Because state employee and Medicaid programs must comply with the *Wellstone-Domenici Act* there is no additional fiscal impact on these programs. The one requirement that did create a fiscal impact, the requirement for annual and perinatal screenings, was removed from the bill.

The Office of the Commissioner of Insurance will be granted authority to promulgate rules to ensure that the *Wisconsin Parity Act* conforms to requirements of the *Wellstone-Domenici Act*. The Insurance Commissioner has testified that he can address any potential issues that may arise once federal regulations are issued.

The *Wisconsin Parity Act* will NOT lead to a substantial increase in premium costs. A March 4, 2008 study by the Congressional Budget Office (CBO) of the law that became the *Wellstone-Domenici Act*—the most recent, authoritative, independent, expert analysis of parity's economic impact on private-sector employers—found that parity would increase costs by less than one half of one percent of premium.

Wisconsin's small businesses cannot afford the costs of untreated mental illness and substance abuse. For a minimal investment, parity will save millions of dollars in reduced sick days, increased worker productivity and decreased health care and disability costs.

Research has repeatedly confirmed the efficacy and cost-effectiveness of treatment for persons with mental illnesses and substance use disorders.