



April 14, 2010

Dear Legislators:

The New Day Coalition includes organizations that represent more than 2 million Wisconsin residents statewide. We urge you to vote for the *Wisconsin Parity Act* (Senate Amendment 1 to SB-362) **without further amendments** when you take it up this Thursday, April 15.

In its recently released Social and Financial Impact Statement (SFIS) on AB-512, the Wisconsin Office of the Commissioner of Insurance (OCI) has concluded that parity will increase monthly premiums by about .5 percent and will help to reduce overall health care costs. This supports what advocates have been saying all along: the cost of implementing parity will be minimal and the potential benefits significant. It is also consistent with the most recent, authoritative, independent, expert analysis of the economic impact on private-sector employers of parity—conducted by the Congressional Budget Office and cited in federal regulations implementing the *Wellstone Domenici Act* released February 2, 2010 by the Departments of the Treasury, Labor, and Health and Human Services—which concluded that insurance premium costs would increase by just .4 percent.

According to OCI, the cost of implementing parity will be \$1.96 per privately insured person, per month to cover the 1.7 million Wisconsinites who have private group commercial insurance. **It's important to note that only a portion of this cost will be new. First, Wisconsin law already requires plans to provide at least \$7,000 in coverage per insured, per year. Second, insurers are already incurring a large portion of this cost as a result of the federal parity requirements of the *Wellstone-Domenici Act* that went into effect on January 1, 2010—essentially eliminating the \$7,000 coverage limitations.**

The *Wisconsin Parity Act* will close the gap created by the federal law and provide parity coverage for the 1.4 million adults and children in Wisconsin who have some form of mental illness, and the 403,000 Wisconsinites who have substance use disorders. As the SFIS noted, only 29 percent of individuals in each of these categories have commercial insurance coverage.¹ In an industry that collects **\$8 billion annually** in private health insurance premiums, an increase of one half of one percent of monthly premium amounts per member is a small price to pay to provide parity mental health and substance use disorder benefits for the tens of thousands of Wisconsinites who don't have adequate insurance coverage.

We know that mental illnesses and substance use disorders are prevalent and can impact a business's bottom line; and that these illnesses and disorders can be effectively treated and managed. Providing parity insurance coverage for those small businesses left behind by the federal *Wellstone-Domenici Act* by voting for the *Wisconsin Parity Act* **without any further amendments** is the first step.

And, to provide additional assurances that compliance with the *Wisconsin Parity Act* will not present a burden for some of Wisconsin's small businesses, two exemptions were incorporated. Identical to the provisions in the *Wellstone-Domenici Act*, which only applies to the large employer group health plans, the *Wisconsin Parity Act* includes an Exemption for Cost Increase, permitting employers who can show that parity has increased their total 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.

¹ Of the 1.4 million adults and children who have some form of mental illness, only 406,000 (29 percent) have commercial insurance. OCI calculated these numbers based upon the 2008 National Institute of Mental Health report, *The Numbers Count: Mental Disorders in America*. According to a 2001 report, *Wisconsin alcohol and other drug abuse prevalence*, only 117,000 out of 403,000 Wisconsinites (again, 29 percent) who have substance use disorders have commercial insurance coverage.

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Secondly, the legislation contains an Exemption for Small Employers which will allow employers with fewer than 10 employees to opt out of compliance with the parity provisions of the *Wisconsin Parity Act* for one plan year at a time. It will provide the potential for relief from any overwhelming costs of compliance for this category of the “smallest” of the small employers representing 76 percent of the total number of small Wisconsin establishments and 45 percent of the total number of workers who work for them—or 78,683 firms with 325,577 employees, respectively.

Exercise of the Exemption for Small Employers will immediately deprive 100,000 currently insured workers and their dependents of the benefits of parity coverage for mental health and substance use disorder treatment. Extending the exemption to include the 10-24 worker size category of small employers under 50 will undercut the very objectives of the bill by leaving an additional 100,000 currently insured people in Wisconsin without reasonable and fair access to mental health and substance use disorder treatment.

While protecting small businesses is important, any further amendments to this exemption would essentially undermine the objectives of the *Wisconsin Parity Act*—the closure of the mental health and substance use disorder treatment gap created by the federal *Wellstone-Domenici Act*.

For all of these reasons, we respectfully request that you vote to pass the *Wisconsin Parity Act* **without further amendments.**

Sincerely,

The New Day Coalition

New Day Coalition



*Promoting integration
of health care
for the mind and body.*

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ORGANIZATIONAL MEMBERS **Representing More than 2 Million Wisconsin Residents**

AARP	Independence First	Survival Coalition of WI Disability Organizations
AFL-CIO (representing 250,000 Union members/families)	Interfaith Conference of Greater Milwaukee	Tellurian UCAN, Inc
AFSCME WI Council 40	Intnatl Assn of Psychosocial Rehab Services-WI	The Partners Advocacy
AFSCME Council 24-WI State Employees Union	Jewish Family Services	Transitional Living Services
AFSCME Council 48 of Milwaukee	Lutheran Office for Public Policy in WI	United Cerebral Palsy of WI
Anorexia Nervosa & Associated Disorders	Mental Health Association of WI (Sheboygan, Milwaukee, Waukesha Co)	Voices of Hope Consumer Group
Archdiocese of Milwaukee, Social Concerns Office	Mental Health Center-Dane Co	Waukesha Memorial Hospital Behavioral Health
Associated Counseling & Recovery-Fond du Lac	Mental Health Coalition-Dane Co	WI Alcohol & Drug Treatment Providers Assn
Aurora Behavioral Health Services	Mental Health Consortium-Dane Co	WI Alcohol, Drug & Disability Assn
Autism Society of WI	Mental Health Consumer Network	WI Assn for Alcohol and Other Drug Abuse
Bay Area Agency on Aging-MH/SA Task Force	Milwaukee Addiction Treatment Initiative	WI Assn of Family & Children's Agencies
Bulimia Education & Support Training	Milwaukee Area Health Education Center	WI Assn of Marriage & Family Therapists
Catholic Health Assn of WI	Milwaukee Coalition on Mental Illness	WI Catholic Conference (representing 1.6 million WI Catholics)
Chemical Dependency Consortium of Dane Co	Milwaukee Jewish Council for Community Relations	WI Citizen Action
Coalition for Wisconsin Health (representing 89 organizations)	Natl Alliance on Mental Illness-WI (representing 31 affiliates)	WI Coalition Against Domestic Violence
Community Advocates, Inc	Natl Association of Social Workers-WI Chapter	Disability Rights WI
Consumer Satisfaction Team	New Horizons North-Community Support	WI Coalition of Independent Living Centers
Cornucopia	North Country Independent Living	WI Correctional Service
Cyber Phoenix Project	Northwest Counseling Services	WI Council on Mental Health
Dennis Hill Harm Reduction Ctr	Nova Counseling Services-Oshkosh	WI Counties Association
Depression/Bipolar Support Alliance (SE WI, La Crosse Area, Menomonee Falls)	Open Gate	WI Family Ties
Earth Angels Training Program	Racine Friendship Clubhouse	WI Federation of Nurses/Health Professionals
Elkhart Psychological Services	Reach Counseling Services-Menasha	WI Federation of Teachers
Employee Assistance Professionals Assn-SC WI	Regional Employee Assistance Services	WI Interfaith IMPACT
Encompass-Effective Mental Health Services	Rogers Memorial Hospital	WI Jewish Conference
First Congregational Church Forum-Madison	Sixteenth Street Community Health Ctr	WI Nursing Association
Friendships Unlimited	Society's Assets	WI Psychiatric Association
Genesis 1990	Southern Service Ctr for Independent Living	WI Psychological Association
Grand Avenue Club	Stowell Associates	WI School Psychologists Association
Grassroots Empowerment Project	Substance Abuse Services Network	WI Society of Addiction Medicine
Great Lakes Inter-Tribal Council	Systemic Perspectives	WI State Medical Society