


## [New law boosts funding for mental health care](#)

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By *Matt Hrodey*

In 2008, 737 people killed themselves in Wisconsin. The state's residents were more likely to commit suicide than people living in nearby Iowa, Minnesota, Michigan or Illinois. State Rep. Sandy Pasch (D-Whitefish Bay) says inadequate funding for mental health care is partly to blame. Outdated state insurance requirements have starved mental health providers of funds, she says, and prevented sick people from getting help.



sandy pasch

But state legislation she co-authored with State Sen. Dave Hansen (D-Green Bay) that's expected to become law today could help turn the trend around. It removes the old requirement, passed in 1985, that health insurance plans provide at least \$7,000 in mental health coverage. A psychiatric nurse for 30 years before becoming a lawmaker, Pasch says she saw treatment cut off for many patients who badly needed it and the number of psychiatric providers in the state dwindle.

And most of the patients didn't realize what was happening. "People assume they can have mental health services, and then they find out there's quite a limit," she says. The new law would throw out the old \$7,000 minimum, which runs out too quickly for patients and providers both, Pasch says, in favor of a new mandate.

The Mental Health Parity Act would require all health plans (except private, self-funded ones) to cover physical and mental ailments equally. Mental health coverage has been a kind of "Holy-Grail issue" for years for Wisconsin Democrats, says former Democratic State Sen. Sheldon Wasserman, now a doctor at Columbia-St. Mary's Hospital in Milwaukee. "The only reason it hasn't been shutdown this year is because the Democrats are in charge."

## **Business objections**

Business interests have long opposed mental health parity requirements. Wisconsin Manufacturers and Commerce, the state's largest lobby group representing business interests, says in a position paper, "Government insurance mandates inevitably lead to high health care insurance costs, meaning employers and employees will have to pay more for health insurance coverage. As health care insurance costs go up, typically the hardest hit are Wisconsin's small businesses and their employees."

An amendment introduced in the Senate altered the original bill so businesses with fewer than ten employees could opt out of the requirements. Employers of any size could also bail out if the Parity Act caused their health insurance costs to increase 2 percent or more during the law's first year or by 1 percent in years thereafter.

But Pasch and Hansen say cost increases won't break those thresholds. They say the Wisconsin Office of the Insurance Commissioner estimated premiums would increase by 0.5 percent under parity. Employees covered under the state health plan would pay an extra \$0.88 to \$1.32 each month in a post-parity Wisconsin, according to one Legislative Reference Bureau fiscal estimate.

Still, the requirements concern the Wisconsin League of Municipalities, which opposed the legislation. "It will, in our view, drive up the cost of doing business as a municipality," says Executive Director Dan Thompson. "What the employee groups are doing is an end-run around local bargaining." Although parity wouldn't apply to private self-funded plan, government ones like those frequently used by municipalities would be affected.

Pasch resists the idea that parity would hurt employers, who would gain healthier, more productive employees, she says. "The illness doesn't go away. It goes into the criminal justice system, and it comes out of the county budget," she says.

## **Patch by patch**

The Parity Act would fill in an existing patchwork of state and federal laws. Major provisions of the Wellstone and Domenici Mental Health Parity Act, a federal law passed in 2008, take effect this year. Employers have until July to meet the new standards, which require mental health parity in individual plans and those provided by companies with more than 50 employees. The law doesn't require that any plans provide mental health coverage in the first place, but existing Wisconsin laws do.

About 700,000 policyholders in the state, according to Pasch, would still lack parity after the federal changes. The new state law would cover most of them. Many other states have passed similar regulations, and then, like Wisconsin, passed laws to expand the ones they passed before. Federal parity law has followed a similar course, according to Wasserman. In 1996, the first federal attempt at parity "was riddled with loopholes," he says.

Parity has been an important issue for Democrats, but it was a Republican, former State Sen. Mary Panzer, who first championed the idea in 1995. Since then, parity bills have come and gone. Hansen says one passed the Assembly in 2001 but was never voted on in the Senate. It's taken until 2010 for one to become law.

“This is absolutely, 100 percent going to be signed by the governor,” says Wasserman. “He knows the Democrats want this.”