

TESTIMONY SUBMITTED BY THE NATIONAL ASSOCIATION OF SOCIAL WORKERS, WISCONSIN CHAPTER IN SUPPORT OF SENATE BILL 362 BEFORE THE SENATE COMMITTEE ON HEALTH ON NOVEMBER 10, 2009

The National Association of Social Workers, Wisconsin Chapter, strongly supports Senate Bill 362.

This bill would close the gap in coverage in Wisconsin that results from the national Wellstone Dominici Mental health/substance abuse parity bill. Senate Bill 362 would ensure that employees of small as well as large employers will be covered equally for mental health and substance abuse conditions.

The Wellstone Dominici bill, which went into effect on October 3rd 2009, requires that all group health plans of 51 or more employees that provide mental health and substance abuse coverage must provide this coverage at the same level as the coverage for medical and surgical coverage.

Senate Bill 362 would extend the coverage of the Wellstone Dominici bill to employers with 50 or less employees that provide coverage for mental health and substance abuse problems. Approximately 700,000 individuals who work at companies with 50 or less employees would benefit from this bill.

The New Day Coalition has been working to pass full mental health and substance abuse parity in Wisconsin for over ten years. One of the biggest concerns raised over the years by opponents of this bill has been regarding possible increases in premiums. After ten years of working on this bill we now have a wealth of information from states that have implemented full mental health and substance abuse parity, as well as from the federal government and private industry that show that the implementation of full mental health and substance abuse parity, at worst results in a 1% increase in premiums.

The nine states of California, Maine, Maryland, Minnesota, North Carolina, Pennsylvania, Rhode Island, South Carolina and Vermont have documented experience that implementing parity increased insurance premiums by less than one percent.¹ This positive experience has led a number of states to expand their coverage of mental illness and substance abuse. Most recently the state of Washington expanded its parity law in 2007 to include small groups and individual plans. In addition to Washington at least six other states, Connecticut, Maryland, Minnesota, New Mexico, Rhode Island and Vermont have implemented parity laws for small business. There is no research from these or other states that parity results in employers having to drop coverage because of increased premium costs.

The largest study of parity to date was a four year study of the Federal Employees Health Benefits Program, which has had parity since 2001 and covers nine million employees.

The study concluded that when parity mental health and substance abuse were implemented and managed, total healthcare costs for most of the plans did not increase beyond the increases over the same period that were observed in a matched group of health plans that did not have a parity benefit. 2

In addition to information we now have about the minimal if any increases in premiums as a result of parity, we also have much information about the effectiveness of treatment. Between 70 and 90 percent of individuals with serious mental illness have significant reductions of symptoms and improved quality of life with a combination of pharmacological and psychosocial treatments and supports.³ More than 80% of people with clinical depression can be successfully treated. ⁴ A recent study demonstrated a reduction in alcohol and drug use (52 percent and 69 percent, respectively) one year after treatment.⁵ These figures compare to a success rate for heart disease of 45 to 50 percent.⁶

Finally untreated mental illness and substance abuse has a huge impact on the workplace. In a 2007 survey of more than 500 human resource and employee benefit managers from companies of all sizes across the country, respondents reported that mental illness had more effect on loss productivity, increased absenteeism and other indirect costs than any other health issue. Nearly one-third (31 percent) ranked it first; this is more than twice the number that selected "back problems" which came in second at 14 percent. Substance abuse, asthma/allergies and smoking followed closely behind at 10 percent or less.⁷

Please vote to support Senate Bill 362.

1. Washington Coalition for Insurance Parity, *Mental Health Parity: Summary of Costs and Savings*, by Randy Revelle and Chelene Alkire, January 30, 2007

2. Finch RA. Phillips K. Center for Prevention and Health Services. [Am Employer's Guide to Behavioral Health Services: A Roadmap and Recommendations for Evaluating, Designing, and Implementing Behavioral Health Services.](http://www.businessgrouphealth.org/pdfs/fullreport_behavioralhealthservices.pdf) Washington, DC: National Business Group on Health; 2005. Available at http://www.businessgrouphealth.org/pdfs/fullreport_behavioralhealthservices.pdf

3. National Alliance on Mental Illness. Found at: www.nami.org/Content/NavigationMenu/Inform_Yourself/About_Mental_Illness/About_Mental_Illness.htm

4. Mental Health America. Factsheet: Depression in the Workplace. Found at: <http://www.nmha.org/index.cfm?objectid=C7DF951E-1372-4D20-C88B7DC5A2AE586D>

5. Open Society Institute-Baltimore. [Tackling Drug Addiction.](http://www.soros.org/initiatives/baltimore/focus_areas/drug_addiction) Found at: www.soros.org/initiatives/baltimore/focus_areas/drug_addiction

6. Alexander, Stanford J., Chairman, Weingarten Realty Investors, *Statement before the Subcommittee on Employer-Employee Relations*, U.S. Congress, March 13, 2002

7. *Employee Benefit News*, "Innerworkings: A Look at Mental Health in Today's Workplace" May 2007

