



WISCONSIN

Memorandum

TO: Members of the Assembly
FROM: Bill G. Smith, State Director
DATE: April 14, 2010
RE: Assembly Bill 512/Senate Bill 362

MENTAL HEALTH PARITY
A MANDATE SMALL BUSINESS CANNOT AFFORD

The Assembly is scheduled to consider Assembly Bill 512 or Senate Bill 362 as a special order of business on Thursday, April 15th.

These bills would require group and some individual health plans to provide mental health and substance abuse benefits at parity with other coverage's.

Although Assembly Bill 512 has been amended to exempt firms with ten or fewer employees from the mandate, **thousands of small business owners and their workers will pay higher insurance premiums if this legislation becomes law.**

An analysis by the Insurance Commissioner concludes this legislation will boost health insurance premiums by about \$40 million a year – and it appears the analysis does not even include the cost impact on small business health plans due to a lack of available data.

A study by NFIB's Research Foundation, however, concluded extending mental health parity law to firms with less than 50 employees would increase health insurance premiums by an average of 8.5 percent.

Eighty-one percent of our members, based on NFIB Survey Studies, believe small business owners should have the right to choose the benefits of their health plans, without government interfering by passing laws that mandate selected benefit levels, services, and providers.

It is the small business owner, not the government, that must face the reality of cost and the reality of meeting the needs of their workforce. Rather than approve legislation that will increase health costs, the government should provide small business owners with the freedom to provide a benefits package appropriate to the needs of their workforce.

The reality of exorbitant premium increases, little or no profit margins, and the every day uncertainty of a struggling economy are difficult challenges for our states small business owners. Passing another health insurance mandate – one that is focused exclusively on small businesses that employ between 11 and 50 workers, will add yet another financial challenge for our small business owners and for those employed by them.

Please oppose increasing health insurance costs for small business and their employees – vote against passage of AB 512/SB 362.

Thank you for your consideration.