



## **SUBMITTED WRITTEN TESTIMONY**

**Statement of David R. Riemer, Director,  
Community Advocates Public Policy Institute  
to the  
Wisconsin Assembly Committee on Health and Healthcare Reform,  
Oct. 28, 2009,  
on the  
*Wisconsin Mental Health and Substance Abuse Parity Act, AB-512***

Chairman Richards and members of the Assembly Committee on Health and Healthcare Reform, thank you for the opportunity to present my views on the *Wisconsin Mental Health and Substance Abuse Parity Act, AB-512*.

I am Director of the Community Advocates Public Policy Institute and the Milwaukee Addiction Treatment Initiative (MATI). MATI is a collaboration of more than 80 state and local organizations working to expand access to drug and alcohol treatment for everyone in Wisconsin who needs it. The MATI coalition includes law enforcement agencies—our champion is Milwaukee County District Attorney John Chisholm—as well as public and private health organizations, addiction treatment providers, advocates, and many other local and state organizations. We share the common goal of closing the addiction treatment gap.

The bill you consider today, AB-512, is much-needed legislation. It will increase mental health and addiction treatment for hundreds of thousands of people in Wisconsin. It will help to save lives and lower costs. I urge you to approve the *Wisconsin Mental Health and Substance Abuse Parity Act*.

### **Treatment is Effective and Cost Effective**

Wisconsin currently suffers from a substantial treatment gap: only a fraction of the individuals who have addiction and mental illness are today receiving the treatment they need. This is in spite of overwhelming evidence—both from thousands of individual cases and formal studies—that mental illness and addiction are chronic illnesses that are effectively treated. Across Wisconsin and the nation, millions of individuals who suffer from these chronic illnesses have received high-quality treatment that has saved their lives, improved their health, and allowed

them to return to their families and their jobs as fully functioning individuals, workers and taxpayers.

Studies have shown that the provision of full parity coverage for addiction and mental illness not only results in effective treatment but also is cost-effective. Treating individuals with addiction and mental illness on a parity basis often lowers health care costs for persons treated. It does so by avoiding the expensive hospitalizations, medical care and prescription drug costs that inevitably result when, because their addiction and mental illness are untreated, they have strokes, heart attacks, injuries from auto accidents, and other illnesses or injuries.

In addition, parity treatment of persons who live with addiction and mental illness frequently avoids medical costs for other individuals, such as family members and other innocent persons who would otherwise be harmed in domestic disputes or auto accidents.

And parity treatment for addiction and mental illness saves money in the criminal justice system—reducing crime, and thus reducing arrests, trials and imprisonment—which is why Milwaukee County District Attorney John Chisholm so strongly supports this policy. Parity also reduces domestic violence and its many costs.

Finally, parity helps people go to work—or stay employed—so that they, rather than the taxpayers, support their families and pay their faire share of taxes.

### **The Wisconsin Parity Act Supplements Federal Parity Law**

A major cause of the treatment gap in Wisconsin is the lack of a requirement that health insurance companies must provide “parity”—equal, non-discriminatory treatment of addiction and mental illness—when they sell health insurance policies to individuals and small employers. Wisconsin law presently requires any group health insurance policy that provides inpatient or outpatient hospital services to cover mental health and substance abuse treatment only at a minimum of \$7,000, or the equivalent benefits measured in services, per year. These artificial limits were established in 1986 when \$7,000 covered the cost of approximately 30 days of inpatient treatment. In present dollar terms, such treatment caps are woefully inadequate to provide effective treatment for those persons living with mental illness or substance abuse disorders.

The new federal *Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008* (P.L. 110-343) is a strong first step in ensuring parity coverage of mental health and addiction. The *Wellstone-Domenici Act* requires that Medicaid HMOs provide their poor and near-poor enrollees with parity coverage for addiction and mental health treatment; and requires that large employers—those with 51 or more employees—must provide parity coverage for addiction and mental health treatment.

The *Wellstone-Domenici Act* became law for most group health plans for plan years beginning on October 3, 2009, or, in the case of a group health plan that is part of a collective bargaining agreement, by no later than January 1, 2010. As I mentioned, this federal law applies to group health plans offered by employers of 51 or more employees. It does not mandate that such businesses provide mental health and substance abuse coverage as part of their group health plan coverage. However, if a plan does provide either mental health or substance abuse coverage, then the treatment limitations and financial requirements of such coverage must be at parity—that is, no more restrictive than those applied to the plan’s medical and surgical coverage.

Unfortunately, the *Wellstone-Domenici Act* leaves uncovered more than 700,000 Wisconsinites who work for small employers of 50 or fewer employees. The *Wisconsin Parity Act*, AB-512, fills this substantial gap. The legislation before you will require all group health plans in Wisconsin to provide mental health and substance abuse disorder benefits at parity levels with other conditions covered by the plans. By doing so, this bill will increase treatment for hundreds of thousands of people in Wisconsin. While such coverage is not required for individual plans, if mental health or substance abuse benefits are included in the individual plan coverage, then they must be offered at parity.

**Conclusion**

Representative Pasch and Senator Hansen have demonstrated great leadership in introducing the *Wisconsin Parity Act*. The Community Advocates Public Policy Institute and the Milwaukee Addiction Treatment Initiative strongly support this legislation.

Thank you again for your time and consideration.