



LaToya Dennis

Mental Health Parity Now a Reality in Wisconsin

By LaToya Dennis

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Wisconsin Thursday followed in the footsteps of many other states when Gov. Jim Doyle signed mental health parity legislation into law. The measure calls for businesses to cover mental health and substance abuse problems, the same way they cover physical ailments. As WUWM's LaToya Dennis reports, the change will start in December.

For the past 25 years, Wisconsin has required insurance companies to cover treatment for mental health and substance abuse up to \$7,000 annually.

Shel Gross is director of public policy for Mental Health of America Wisconsin. It's a non-profit dedicated to helping those with mental ailments.

"In 1985, \$7,000 would purchase about 30 days of inpatient care. Currently, it would purchase maybe three days of inpatient care. And so we certainly did hear from people who found that after that short period of time, they were being told that they didn't have coverage anymore, and would have to go into debt, mortgage their house or whatever to cover their care," Gross says.

Gross says Wisconsin's new law will change all of that.

"Mental health parity means you can't have maximum dollar amounts or visit limits, co-pays or other policies for mental health and substance abuse that are more restrictive than other disorders. So if you have an annual limit of \$1 million for services, you can't have something that's more restrictive for mental health," Gross says.

The Wisconsin legislation is designed to fill in a gap. In 2008, the federal government passed the Wellstone and Domenici Mental Health Parity Act. It requires individual plans and companies with more than 50 employees, to provide the same coverage for physical ailments and mental health. Wisconsin's new law will apply to all businesses here with at least 10 employees.

Many in the business community aren't happy about the change. R.J. Pirlot is director of legislative relations for the business group, Wisconsin Manufacturers and Commerce.

"We all know that as new health care mandates become law, they increase the price of insurance, making it harder and harder for employers and their employees to afford coverage," Pirlot says.

Pirlot says this has been the year of insurance mandates.

"There was an expensive new mandate for autism coverage, for dependent coverage for adult children up to age 27, for contraceptive articles and services and for hearing aids and cochlear implants," Pirlot says.

Pirlot says he doesn't know exactly how much the Mental Health Parity law will end up costing businesses, but he says he knows it will be a burden. Democratic Rep. Sandy Pasch authored the legislation. She says it's estimated that premiums will only increase by one-half percent. She says there are also provisions in the law to protect against drastic increases in cost.

"If it does go up more than 2 percent in the first year, or 1 percent in the year thereafter, our bill

does the same thing that the Wellstone Domenici bill does, and that is to allow employers to go back to the current minimum mandate," Pasch says.

In other words, if the cost to provide parity turns out to be too high, businesses can opt out and go back to the current \$7,000 requirement. Mental Health Parity legislation has been introduced in Madison quite a few times over the years, but this was the first time the legislation got a hearing because Democrats are in power and they favor the change. The new law is expected to impact around 700,000 people.

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