

# Coalition for Fairness

## in Mental Health and Substance Abuse Insurance

*To achieve  
mental health and substance abuse parity  
in health insurance  
in the state of Wisconsin.*

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### **The Coalition for Fairness Supports Enactment of Comprehensive Parity Legislation**

- Comprehensive parity means coverage for medically necessary treatment of all mental health and substance abuse disorders that is no more restrictive than the coverage for other medical conditions. By no more restrictive we mean that annual and lifetime visit and dollar limits for treatment are not less than those for other disorders and that deductibles, copays or other terms and conditions for treatment are not more onerous than for other conditions.

#### **It is time to address the inequity in mental health/substance abuse (MH/SA) insurance.**

- **Treatment Works!** The current mandated minimum was instituted in 1985 at a time when the effectiveness and value of mental health and substance abuse treatment was just starting to be documented. Since then numerous publications, including the Surgeon General's Report on Mental Health and reports from the National Institute on Drug Abuse have provided extensive data on the effectiveness of treatments for these disorders.
- **Current Law Is Unfair!** Current law mandates only \$7000 coverage per year for MH/SA disorders. A typical small business health plan will provide \$1,000,000 per year in coverage for other medical conditions. A study reported in the Surgeon General's Report on Mental Health found that for someone with \$35,000 of medical costs, someone with the limited mental health coverage would pay almost \$12,000 out-of-pocket. Someone with another condition would pay less than \$1500.

#### **Parity will not have significant costs.**

- 41 other states have some form of legislation providing MH/SA coverage that is more comparable to coverage for other medical conditions. PriceWaterhouseCoopers, LLP, and others have found that these laws have not led to significant increases in costs or in the uninsured and often premiums have decreased as a result.
- Recently, Dr. Howard K. Goldman (University of Maryland School of Medicine) and several other researchers studied the Federal Employees Health Benefits Program. this program of comprehensive parity covers 9 million federal employees including all members of Congress. Their conclusion: "When coupled with management of care, implementation of parity in insurance benefits for behavioral health care can improve protection *without increasing total costs.*"

#### **Parity will lead to significant benefits.**

- The National Business Group on Health recently recommended equalizing MH/SA benefits with other medical benefits finding that:
  - MH/SA disorders are a major cause of lost productivity.
  - MH/SA disorders are the 5th leading cause of short-term and 3rd leading cause of long-term disability for employers in the US.
  - Limitations on behavioral healthcare may limit the effectiveness of disease management programs for other chronic medical conditions. For instance, healthcare costs are up to twice as high among diabetes and heart disease patients who also have depression.
  - The efficacy of treatment for MH/SA disorders is well documented and has improved dramatically over the past 50 years.

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## Comprehensive Insurance Parity: Affordable for Wisconsin

Comprehensive Insurance Parity, including benefit equality for all mental illnesses and substance dependence disorders, is affordable and good for Wisconsin. Service usage does not increase due to parity, nor do total health-care costs rise significantly, if at all. With parity, health insurance will do what it is intended to do: protect Wisconsin families from devastating financial loss when a member requires treatment.

***“Opposition to parity on the basis of increased total spending on mental health coverage no longer constitutes an evidence-based objection.”***

*Health Affairs, 2006*

- Federal employees have had comprehensive parity since 2001. An evaluation commissioned by the US Dept of Health & Human Services found that spending on mental health and substance disorders decreased or was unchanged after parity in all plans studied. *New England Journal of Medicine, 2006.*
- Minnesota has had comprehensive parity since 1995. Medica, an independent consulting organization, found that costs rose just 26¢ per member per month. *The National Conference of State Legislatures, 2002.*
- Vermont has had comprehensive parity since 1999. The amount spent for mental health and substance disorders by one major insurer increased just 19¢ per member per month after parity and decreased for another major insurer. *U.S. Dept. of Health & Human Services, 2003.*
- A study of privately-insured employers who adopted comprehensive parity plans with unlimited benefits found that even in the worst case, premiums increased by less than 1% due to parity. *RAND Health, 2001.*
- Growing evidence indicates that limiting mental health and substance disorders insurance benefits increases the overall cost of healthcare. *National Business Group on Health, 2005.*
- Studies that predict significant cost increases with comprehensive parity use outdated information. Studies based on actual experience, document minimal cost and identify decreases in consumers' financial risk. *Health Affairs, 2006.*

**It's Fair, It Pays, It's Time!**

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## Comprehensive Insurance Parity: Economic Sense for Wisconsin

Comprehensive Insurance Parity, including benefit equality for all mental illnesses and substance dependence disorders, makes economic sense for Wisconsin. Inadequately treated mental illness and substance disorders cost US businesses between \$79 and \$105 billion per year. Parity reduces or eliminates the economic disincentive that workers consider when deciding to seek mental health services. Parity provides Wisconsin workers the financial protection they need to get treatment and remain productive employees.

*“Millions of Americans are impaired by episodes of mental illness. These illnesses affect individuals, they affect their families, and they affect our country”*

*President George W. Bush*

- 90% of individuals with substance dependence disorders work. 72% of individuals with mental illness work. *National Business Group on Health, 2005*
- 36 million productive workdays are lost each year in the US due to behavioral health disorders, costing employers an estimated \$5 billion annually. *National Business Group on Health, 2005.*
- Suicide is the second leading cause of death among people age 15-34 in Wisconsin. The majority of suicides represent working men and women. *WI Department of Health & Human Services, 2006.*

- Mental illness and substance disorders account for the two leading causes of disability in the United States, nearly 37% of all disability. *President's New Freedom Commission on Mental Health, 2003.*
- 181 million workdays are affected by productivity decline due to mental illness, costing US employers an estimated \$12 billion each year. *National Business Group on Health, 2005.*
- Youth with Emotional and Behavioral Disabilities drop out of high school more frequently, are less likely to be employed after high school, and are more likely to be incarcerated than other youth. *Wisconsin Department of Public Instruction, 2006.*
- Mental illness is second only to cardiovascular conditions in accounting for lost years of healthy and productive life. *Mental Health: A Report of the Surgeon General, 1997*

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