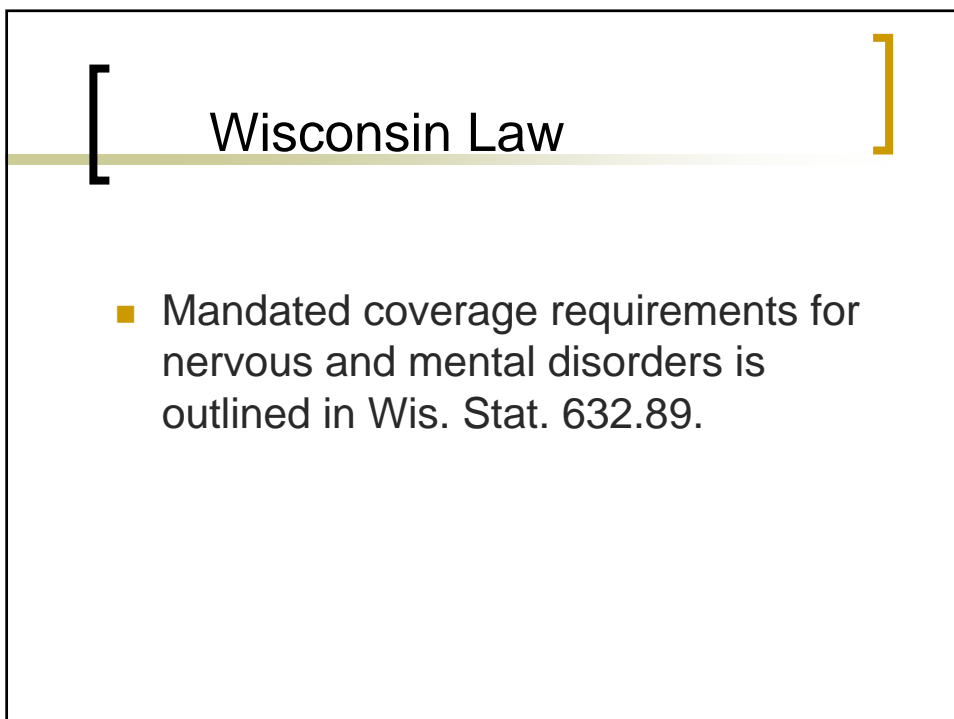


Mental Health Coverage Overview of State and Federal Law

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Wisconsin Law

- Mandated coverage requirements for nervous and mental disorders is outlined in Wis. Stat. 632.89.

[Wisconsin State Law]

- Wis. Stat. 632.89 **requires** group health insurers to cover inpatient hospital, outpatient and transitional treatment arrangements for nervous and mental disorders and alcohol and other drug abuse problems (AODA).
- Group health insurers must provide at least \$7,000 in total coverage. They can provide more.

[Inpatient Hospital Services]

- "Inpatient hospital services" means services for the treatment of nervous and mental disorders or alcoholism and other drug abuse problems that are provided in a hospital to a bed patient in the hospital.

[Outpatient Services]

- "Outpatient services" means nonresidential services for the treatment of nervous or mental disorders or alcoholism or other drug abuse problems provided to an insured and, if for the purpose of enhancing the treatment of the insured, a collateral by any of the following:

[Outpatient Services]

- A program in an outpatient treatment facility.
- A licensed physician who has completed a residency in psychiatry, in an outpatient treatment facility or the physician's office.
- A licensed psychologist who is listed in the national register of health service providers in psychology or who is certified by the American board of professional psychology.

[Transitional Treatment]

- "Transitional treatment arrangements" means services are provided in a less restrictive manner than are inpatient hospital services but in a more intensive manner than are outpatient services.

[Transitional Treatment]

- Ins 3.37 lists the following Transitional Treatment Arrangements:
 - Mental Health services for adults in a day treatment program;
 - Mental Health services for children and adolescents in a day treatment program;
 - Services for person with chronic mental illness provided through a community support program;
 - Residential treatment programs for alcohol or drug dependent persons.

Who is Impacted by the State Mandate?

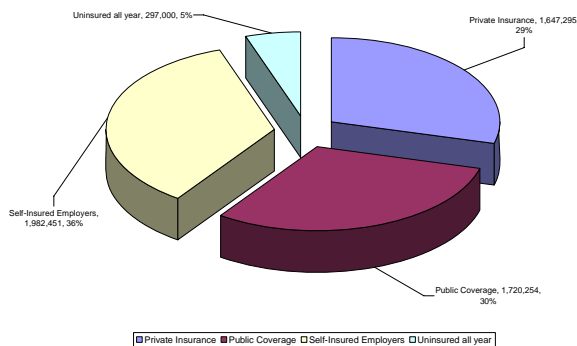
- Individuals insured in the private insurance market by a group health insurance plan.
- Approximately 29% of the state population.

Who is NOT Impacted by the State Mandate?

- Individuals covered by self funded employer health plans.
- Individuals covered by individual health insurance policies.

Wisconsin Health Care Coverage

Wisconsin Health Coverage 2006



Federal Mental Health Parity

- On October 3, 2008 the President signed the Emergency Economic Stabilization Act.
- Includes the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008.
 - Effective for plan years beginning after October 3, 2009.

[Federal Mental Health Parity]

- **Does not** require employers to cover mental health or substance abuse treatment services.
- For those employers **choosing** to offer mental health benefits, they must apply financial requirements and treatment limitations that are no more restrictive than those applied to medical and surgical benefits.

[Federal Mental Health Parity]

- “Financial Requirements” includes deductibles, co-payments, coinsurance and out-of-pocket expenses.
- “Treatment Limitations” includes limits on the frequency of treatment, number of visits and days of coverage.
- The same is required for coverage of Substance Use Disorder Benefits.

[Federal Mental Health Parity]

- Defines “Mental Health Benefits” as:
Benefits with respect to services for mental health conditions, as defined under the terms of the plan and in accordance with applicable Federal and State law.

NOTE: Wisconsin law does not define “mental health benefits.”

[Federal Mental Health Parity]

- Cost Exemptions:
 - Employers may opt out of the parity provisions for one year if their costs increase by 2% in the first year that the parity requirements are in effect.
 - For each subsequent plan year, a 1% increase allows for an exemption.

Who is Impacted by the Federal Mental Health Parity Law?

- Individuals insured in the private insurance market by a group health insurance plan offered by a large employer.
- Individuals covered by self funded employer health plans.

Who is NOT Impacted by Federal Mental Health Parity Law?

- Individuals employed by a small employer with between 2 and 50 employees.
- Individuals covered by an individual health plan.

[Federal Mental Health Parity]

- GAO Study on Coverage and Exclusion of Mental Health and Substance Use Disorder Diagnoses:
 - Required by the new federal law.
 - The study must include an analysis of:
 - Specific coverage rates for all mental health conditions and substance use disorders;
 - Which diagnoses are most commonly covered or excluded;
 - Whether implementation of the federal law has affected trends in coverage;
 - The impact of covering or excluding specific diagnoses on participants and enrollees health, their health care coverage and the costs of delivering health care.

[How do the state and federal law, together, impact you?]

- This is unclear at this time.
- Several federal agencies are charged with issuing regulations to carry out the federal mental health parity law.
- The federal law is not effective for a year, allowing time for us to work diligently with these agencies to ensure we understand how the two laws, together, impact insureds.
- Preliminary discussions indicate that state law requiring insurers to provide coverage for mental health benefits will trigger federal parity requirements.

[If state law triggers federal law, what does that mean?]

- Private health insurers providing group coverage to Individuals employed by employers with over 50 employees:
 - Must cover inpatient hospital, outpatient and transitional treatment arrangements for nervous and mental disorders and AODA; and
 - Must apply financial requirements and treatment limitations that are no more restrictive than those applied to medical and surgical benefits.

[Options for Assistance]

- If employees have complaints about their health insurance plan, they may be able to resolve them by contacting the health plan's customer service department. They can also file a written grievance with the insurer.
 - All insurance companies offering health benefit plans in Wisconsin are required to have an internal grievance process to resolve insured's complaints.

[Options for Assistance]

- Individuals may, at any time, contact OCI with questions.
 - Complaint forms are available online at: www.oci.wisconsin.gov/com_form.htm
 - A form is included in the “Grievances and Complaints” packet.

[Options for Assistance]

- If individuals are not satisfied with the outcome of their grievance, they can request that an Independent Review Organization (IRO) review their health plan’s decision.
 - The IRO process provides an opportunity to have medical professionals who have no connection to an individual’s health plan review the dispute.
 - OCI’s Fact Sheet on IRO has additional information.
http://www.oci.wisconsin.gov/pub_list/pi-203.pdf

[Questions??]