

Employers weigh need for mental health plans

By JIM LEUTE

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JANESVILLE — A decision by the Janesville-based Woodman's grocery store chain to drop mental health coverage for employees might not be indicative of trend among large Wisconsin employers.

But it appears to be a reflection of what mental health advocates say is a crisis waiting to happen and business supporters refer to as cost controls in troubled times.

Woodman's dropped mental health benefits from its health insurance plan rather than comply with a new federal law that requires coverage be equal to benefits for other illnesses.

The federal mental health parity law that took effect Jan. 1 does not mandate that companies provide mental health benefits. If, however, their health plans do offer mental health coverage, they must be as generous as coverage for other diseases.

The new law covers employers with more than 50 workers.

Clint Woodman, vice president of the grocery chain, said Woodman's previously offered an excellent package of mental health benefits.

"We're just not going to open up our employees' health care plan and allow drug abusers and alcoholics to run up the costs," Woodman said. "The new law says you have to cover (mental disease and substance abuse) to the same extent that you cover other things, and that's forced us to drop the mental health coverage."

Woodman said the issue is not the cost of mental health premiums. Instead, he said, it's the unknown costs associated with the potentially indefinite treatment of mental health issues.

"There's just no way to control it," he said.

Mental health advocates say research shows that the costs of mental health insurance have increased minimally. Preventing early mental health care will lead to higher costs in the future, and taxpayers will likely pay those costs, they say.

"More people are educating themselves about the value of offering mental health benefits and the real cost advantages of it," said Shel Gross, director of public policy for Mental Health America of Wisconsin. "What happened at Woodman's is not the beginning of a trend.

"The benefits in terms of the value of other health care and the productivity benefits from making sure people are getting adequate treatment, we believe the research suggests, outweighs the very minimal premium cost increase people have."

Gross said he and others are disappointed in Woodman's actions, which "suggest they are very ill informed about the mental health treatment system and the value of providing that treatment."

Brad Munger, crisis intervention supervisor for Rock County, said people are often unaware of their health

insurance coverage because they haven't needed it. But when they do need it, it's a lifesaver, he said.

Munger, who also works with the National Alliance on Mental Illness, fears that employers who drop mental health insurance are contributing to a societal cost shift.

"If someone doesn't have mental health insurance and they get ill and become a danger to themselves or society, the police will likely pick them up and bring them to our hospital," he said. "Guess who pays that \$810 per day plus costs? The taxpayers."

Munger said the research is clear that health insurance costs are not spiraling out of control. Addressing mental health issues early are a key to that, he said, adding that people without insurance stand no chance of getting the help they need.

In managed care plans, he said, it's highly unlikely that mental health patients will visit doctors or counselors each day and amass the runaway costs Woodman fears.

"Someone with cancer doesn't visit their oncologist every day," he said.

For now, mental health parity is a federal issue. But similar legislation is making its way through the Wisconsin Legislature.

Woodman said the federal government overstepped its bounds with its law.

"I don't think the government needs to get involved," he said. "It's having enough trouble with its own health care plans."

R.J. Pirlot, director of legislative relations for Wisconsin Manufacturers & Commerce, the state's largest business lobby, said he's not aware of other state companies dropping mental health coverage.

"But I wouldn't be surprised," he said. "It presents another struggle for businesses.

"All of these new health care mandates, however well intentioned, are driving up costs, and it doesn't seem that anyone has a handle on the financial ramifications."

Pirlot said those mandates included new laws covering coverage of autism, dependents, contraceptives and hearing aids/cochlear implants. Such mandates, he said, drive up the cost of health care insurance and undermine the ability of employers and their employees to afford to buy health plans.

The mental health parity law also caught the attention of at least one municipality in Wisconsin. La Crosse found a loophole to sidestep the federal law and provide mental health coverage at 2009 levels rather than increasing them to meet the new requirements.

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