



# JOE SANFELIPPO

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October 22, 2013

Chairman Severson and committee members thank you for holding a hearing on AB 458 today.

Telehealth is the use of electronic information and telecommunication technology to provide long-distance health care.

AB 458 proposes changes to the Medical Assistance (MA) program that will increase access to mental health therapy for Wisconsin children, simplify Medical Assistance (MA) rules and increase psychiatric treatment opportunities, especially in rural areas.

By simplifying the authorization process, children will be able to access in-home therapy without first failing in an outpatient setting. Qualified families with children in day treatment programs will be able to complement gains made there with in-home therapy as well.

By eliminating geographical boundaries, AB 458 provides a solution which helps address the lack of adequate access to mental health services. Telepsychiatry allows physicians and other medical professionals to provide services in physical locations without having to actually be physically present *at* those locations. Children growing up in today's society relate very well to services delivered through a digital medium.

Making improvements to MA reimbursement policies by allowing Wisconsin licensed physicians located outside of Wisconsin to be reimbursed for services provided to Wisconsin Medicaid patients helps alleviate the shortage of psychiatrists, especially in rural areas. AB 458 allows providers to offer patients greater flexibility in scheduling and greater access to services. AB 458 also makes the delivery of services more efficient and may reduce the cost of mental health services.

Thank you for your time. I would be happy to answer any questions.



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## WISCONSIN LEGISLATIVE COUNCIL

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*Terry C. Anderson, Director*  
*Laura D. Rose, Deputy Director*

TO: REPRESENTATIVE JOE SANFELIPPO

FROM:  Laura Rose, Deputy Director

RE: 2103 Assembly Bill 458, Relating to Mental Health Benefits and Reimbursement for Mental Health Services Under the Medical Assistance Program

DATE: October 21, 2013

This memorandum describes 2013 Assembly Bill 458, relating to mental health benefits and reimbursement for mental health services under the Medical Assistance (MA) program. The provisions of this bill are made in response to testimony provided to the Speaker's Task Force on Mental Health at several public hearings held around the state from February to July, 2013. The Task Force adopted its report to the Speaker on October 9, 2013.

The bill modifies the requirements for accessing in-home therapy for children; modifies prior authorization requirements for outpatient mental health services; and provides reimbursement for "telehealth" mental health services provided by Wisconsin-licensed physicians to state MA recipients, even if the physician providing the service is located out of state.

This bill requires the Department of Health Services (DHS) to do the following in providing mental health benefits under the MA program:

1. Allow a severely emotionally disturbed child to access in-home therapy without having to show a failure to succeed in outpatient therapy.
2. Allow qualifying families to participate in in-home therapy even if a child in that family is enrolled in a day treatment program.
3. Limit the prior authorization form used to obtain outpatient mental health services to the following elements:
  - a. Diagnostic criteria and symptoms.

- b. Patient identification.
- c. Provider identification.
- d. Modality and frequency of treatment.
- e. Goals of treatment.
- f. Discharge criteria from treatment.

In addition, under the bill, mental health services provided through telehealth by a physician who is licensed in Wisconsin are reimbursable by the MA program even if the physician providing the service through telehealth is located outside of Wisconsin. In the bill, "telehealth" is defined as the use of electronic information and telecommunication technology to provide long-distance health care and education. Telecommunication technology includes telephone, videoconferencing Internet sites, streaming media, and wired and wireless communication.

If you have any questions, please feel free to contact me directly at the Legislative Council staff offices.

LR:ksm



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Anthem Blue Cross and Blue Shield in Wisconsin  
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Humana, Inc.  
Managed Health Services Insurance Corp.  
Molina Healthcare of Wisconsin  
Physicians Plus Insurance Corporation  
UnitedHealthcare of Wisconsin  
WEA Insurance Corporation  
WPS Health Insurance

To: Assembly Committee on Health  
From: Alliance of Health Insurers  
Date: Tuesday, October 22, 2013  
Re: Assembly Bill 458, Mental Health Services

The Alliance of Health Insurers, or AHI, is a health insurance trade association comprised of nine companies engaged in providing a wide range of health insurance products in Wisconsin. Collectively, AHI member companies provide health insurance coverage to about 70% of the commercial health insurance market and insure approximately 60% of the population enrolled in the state's Medicaid program.

We applaud you for your efforts to improve mental health services in Wisconsin and generally support the goals of AB 458 to improve access to in-home therapy for severely emotionally disturbed children. At the same time, we do have some concerns about certain provisions of the bill and wanted to bring those concerns to your attention.

First, our experience in other states has shown that in-home services, when not carefully designed and managed, can be abused, leading to escalating costs without an improvement in outcomes. While we strongly value in-home services, they need to be:

- Well defined,
- Subject to review with clear requirements for both types of service and providers of service and,
- Subject to appropriate management by whoever is at risk of payment.

The limitations on prior authorization in the bill are very prescriptive and could significantly limit a health plans ability to authorize services or determine the appropriateness of those services. Limiting medical necessity decisions or the manner in which medical necessity information is gathered could severely limit our ability to provide the most cost-effective treatment in the least restrictive environment.

Again, our experience in other states has shown that in-home services have the potential to become an industry unto itself and a major cost driver, with little regard for outcomes and purpose, if not managed properly.

Given the current financial pressures on the MA program, and, given that in-home treatment is likely to lead to an increase in utilization and overall costs, the bill should be funded to ensure that adequate MA resources are available to cover those costs.

A second concern has to do with the provision of “telehealth” services. Under federal law reimbursement is limited to providers and financial institutions located in the United States. Please include a similar limitation in AB 452. We have little, if any, recourse, financial or otherwise, against physicians and other providers located in foreign countries.

Again, we want to thank you for taking on the rapidly changing and challenging issues in behavioral health and hope you will consider our suggestions on how to improve AB 458.