SCOMM

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Mental Health Parity Task Force - Update

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Post-it® Fax Note 7671	Date	# of pages ▶ 2
To Walter	From Julie T	
Co./Dept.	Co.	
Phone #	Phone # 224-2051	
Fax # 465-3079	Fax #	

August 25, 1998

The Mental Health Parity Task Force held it's first meeting Wednesday, August 19 at the Alaska Psychiatric Institute. All members were present with the exception of Marianne Burke, Director of the Division of Insurance. Attending on her behalf was Deputy Director, Thelma Jackson. The 11-member task force members include representatives from the insurance and mental health fields, the Alaska State Legislature, Alcoholism and Drug Board, Mental Health Board, Department of Health and Social Services, and a consumer.

Health coverage for mental illness has typically been limited in scope when compared to coverage for physical illnesses. Parity means equality. So, "parity" for mental health means coverage equal to that provided for other illnesses.

The meeting convened at 10:15 a.m. Morning discussion focused on Mental Health Parity and just what that means to the consumers, employers and the State of Alaska.

Sharon Macklin, lobbyist for mental health providers, explained the changes that took place in SCR 14 as the resolution establishing the task force made it's way through the legislative process last session.

Walter Majoros, Alaska Mental Health Board, gave a presentation on the federal parity legislation outlining key provisions of the law. Federal parity legislation was passed in 1996 and sunsets in 2001. The law equates aggregate lifetime limits and annual limits for mental health benefits to those for medical and surgical benefits. The law allows for an increased cost exemption; employers that can demonstrate a 1% or more rise in costs due to implementation of mental health parity are allowed to exempt themselves from the law. The federal legislation does not cover treatment of substance abuse and offers an exemption for businesses with 50 or fewer employees.

The task force broke for lunch on site at API and the afternoon was spent organizing the task force and discussing staffing needs.

Ronald Bachman from PricewaterhouseCoopers in New Orleans was connected via teleconference. Mr. Bachman is a leader on the subject of mental health parity. He has done actuarial analysis work with numerous states helping them achieve mental health parity. Mr. Bachman is on contract with the American Psychological Association to

conduct an actuarial study on Alaska. The Task Force will outline the specifics of that study.

The task force will have their second meeting September 1, from 10:30 a.m. to 3:00 p.m. at Alaska Psychiatric Institute. Ronald Bachman will be on hand to address how other states have implemented mental health equality and the challenges they have faced. Mr. Bachman will be able to provide insight and answer specific questions from the Task Force.

The Task Force expects to take public testimony on mental health parity but that meeting date has not yet been confirmed.

Panty mtg
8/19/98

- Gary Banarsci, Tom B., Cynthia, Julie, Pat, Banarsci, Joe, Johnnie, Thelma Elmer

- organ mtg.

- Intro Legislation — Sharon
  - history / context info.
  - no state GF.
  - Gary
    - was there concern w. costs.
    - int. to see Insur co. response.

- Background Info:
  - Fed bill (me)
  - Facts re Mtl Panty (Cynthia)
  - Bergeson
    - would like more definition on what mental health / illnesses are covered.
  - Joe
    - is there definition of mh provider
  - Katsumi
    - discrimination is ag the laws.
  - Tom
    - how & why distinguish betw biolog disorders?
  - Coopers & Lybrand hand out
  - * - Joe requested info from Blue Cross & actuarial info.
  - Juan
    - do we have copies of other legis.
  - Discrimination
    - some discrimination ok
    - definitions ("med necessity" important. — distinction in defining mental illness

- difficult to come up w general definition to cover all disorders
- Joe: gray area in social corrosive / sub abuse. diagnosis shifting to shuffle benefits
  - powder abuse called.
- Cynthia
  - marriage / day to day probs. not covered.
- Pat
  - social vs contractual discrimination
  - have 16 state's' history
    - let's look @ good actuarial studies.
  - more fairness issue than discrimination issue
- Joe:
  - no state have long track

* - definition of mh parity by Cynthia to next mtg.

aft.

- Gary
  - probably won't be working up legislation
- Tom
  - mandate vs. non-mandate.
- back to work plan.
  - Sept
    - public testimony
    - selection of contractor
    - budget finalization
    - full day in ~~Feb~~ Sept.
    - norm. mtg / aft tele conf.
      - poss 2 day scenario.
      - 28th & 29th

(in person)

Advertise
- grantees (MH / SA)
- Internet. home pages
- newspaper.
- Julie as interim contact
  - email list

Guiding Principles

- sub abuse
  now s/a is mandated but sep., limited parity

- portability issue to elim. preexist insur.

- Joe

- Elmer would it apply to ? not apply to ?
  - Question for staff when they come on.
  - can get from Health care Reform Task Force

Ron Bachman

- talk w many states
- talk on MH Parity Act of 1996 - initial drafts
- state specific cost studies
  - have done both mh / sa
- not advocacy / lobbying
- #s are very consistent w other actuarial studies.
- question of cost no longer debatable
- 3-5% for mh/sa } consist state to state
- MH 2-3½%

- mandate issue
  - default ~~no way~~ to create pool w/o mandate

  - other ways to improve w/o mandate
    - "minimum standards"
      - if part of plan must - - - - - -

- have state-specific info now.
- would need language on what kind of penalty is prong off.
- review of options. before legislation
  - yes he could work with this.
- rate structure / time
  - 10 days to do report once has assumptions etc
  - bill time ($1250 hr.)
    - doesn't charge travel time
    - time on ground.
  - 90 still apply to small state like AK
    - not sure.
- educational material
  - have rpts

- need document public

9/1/98
Parity Mtg

present: Elmer Pat, Banarsai, Joe, Johnny, Gary, John, Cynthia, Marianne Katsum. Tom - by phone

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Ron Bachman — 2 types of reports that are done

① - if you assume . . . . Then
- but assumptions false

② - reasonable, appropriate assumptions
- he does this.

- issue of bias
  - deals across the spectrum.
  - localizing reports

- 4 major actuarial studies.
  - all involve natl analysis & involve mh & sa.
  - MH Parity Act of 1996 : minimal parity
    - negligible cost
  - 4 real studies
    - CBO study
      - est. natl mh/sa parity = 4.0%
    - private Acct Firm (Hilner Robinson)
      - 3.9%
    - CL : 3.2%?
    - Hay Huggins : 3.6%
    - tight cluster

not assumed
- do not assume any medical offsets
- use ~~of managed care~~ growth of managed care & develop over time
  not account for
- increase in productivity not accounted for
- savings from public sector

- most over couple hundred employees are ERISA - self insured

3 other studies w diff results

① Price Waterhouse — Jack Rogers
- bad assumptions re: parity impairing man. care develop.

② Milner Robinson (another rpt by them)
- done for Center for Policy analysis
- MH cost 5–10% for "mh parity option"
  - anti-selection issue — limited pool — increased cost — This is not broad-based parity

③ Watson Wyatt Wide
- dismissed out of hand (10–12%); would not identify author

- only rpts that have different results.

- encourages BC/BS data. Believes it will also substantiate #3 for the other 4 studies

- Interest standing
  - Minn out lots of MC
  - State employees: N.C. – 1992
    - ~~cost~~ MH/total cost has declined from 6.3 to 3.7%

- access does usually increase but shifts from inpatient to outpatient care.

- mandates
  - nobody likes mandates
  - Ron: doesn't know ~~about~~ how to do it w/o mandate.
    - affects ability to spread risk across a larger pool
  - larger employers (SIC etc) will need to be covered under any revised fed legislation

- Review of grid of MH Parity options
  - see Feb 98 rpt
  - 98% of policies nationwide have some MH benefit

- [redacted] Arkansas exper. (he had an overhead)
  - Rep. Gov / Leg - concern re mandate / impact on small employers
  - [redacted]
  - issue of cost offsets
  - modified community rating system in AK limited to 30% per Marianne Burke

- **Language**
  - one key issue is whether indiv. policies s/b covered
    - he recommends not
    - don't lose much but excluding; most would ultimately be included in group policies.
  - should say what our bill does not do:
  - * suggests we do not attempt to define medical necessity
  - see Feb 98 for defs of parity
  - definitions of mental illness
  -

Eligible Expenses

- Ron: would be best to have this on the table w legis & much of the debate will be over whether any new svs would be covered

2 other key issues:

- SMI issues: lots of states have done legis for SMI only
  - Ron doesn't like it.
    - diagnosis creep. ⇒ 80% - 90% of what full parity would be

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- Sb abuse
  - more problematic
    - he can [illegible] both
    - Tom: why not price it out?
  - mh component more expensive; usually mh 75%, to sa 25%

- increase in uninsured when costs go ↑.
  Ron: very mixed info on this ? no evidence to expect large increase in uninsured
- aim for rpt in early Dec. from Ron.
  - would help his work to be more targeted
- market-specific info.
  - he has enuf info.
  - the more local info he gets the better
    HAA, BC/BS
  - would like to get info to him
- $$ / cost
  - back & forth dealogue would be a cost.
  - could help write legis. / etc.

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others states: how they have approached it?

- Missouri – 10 month process
- Arkansas – 4 or 5 mos
- (1 session) – The problem & treatment efficacy
  / consumer / providers
- [redacted] – cost info
  - Ron
  - BC/BS
- Business concerns.
- solutions & options.

- Sharon: invitation list concept. for testimony
- Joe: issue of little or no competition
  - afraid of bail out
  - if make it difficult, they will leave.

- John: need for upfront explan first
  - wants person hired first
- contract sub group
  (John, Gary, Wm Pat)
  - telecnf. couple times
- check on Ron Bachman's schedule
  also end Oct / early Nov.

Mental Health Parity Task Force

Thursday, October 1, 1998
Teleconference Meeting
Minutes

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1. **Call to Order.** The teleconference meeting of the Mental Health Parity Task Force was called to order at 11:09 am by Representative Gary Davis, Co-Chair.

2. **Attendance.** Attending the teleconference were:

Representative Gary Davis, Co-Chair
Representative Tom Brice
Joe Heueisen – Insurance Industry
Elmer Lindstrom – DHSS
Katsumi Kenaston – Consumer
Steven Hamilton – C & S Management Associates
Julie Tauriainen – Rep Davis Staff
Matt Felix – C & S Management Associates
Senator Johnny Ellis
Dr. Cynthia Dodge – Provider
Pat Murphy – AMHB
Walter Majoros – AMHB
Banarsi Lal – ABADA
Sharon Macklin – Bridges Campaign
Pat Ryan Clasby – ASHNA

3. **Introductions.** Members of the task force, staff, and contractors introduced themselves briefly before taking up items on the agenda.

4. **Review of Services.** Steven Hamilton, owner and principal of C & S Management Associates, reviewed the scope of work and services to be provided under the contract. Several points of direction were given by the Task Force:

- Avoid duplication and reinventing; there are many studies that can provide excellent information and insight. Use existing studies and verify the experiences of other states to the extent possible.
- Once the Task Force has arrived at a recommendation or series of recommendations from which legislation can be developed, the contractor will be expected to support those positions through testimony before legislative committees.
- In addition to gathering data, special effort should be made by the contractor to contact providers, consumers, and advocates to obtain qualitative information regarding the impacts of mental illness and insurance limitations on people's lives.
- The contractor will examine the issue of inclusion or exclusion of substance abuse in any parity recommendations and present information and data to address parity both with and without substance abuse.
- Coordination with PricewaterhouseCoopers, who are conducting the national actuarial study, should begin as early as possible to ensure that the Alaska-specific information and assumptions are conveyed in time for a meaningful analysis to take place.

- In addition to public comments on the draft report, public testimony will take place at the first face-to-face meeting, following the completion of business. This will allow interested members of the public, consumers, providers, and other stakeholders to comment at the earliest stages of the project. During this public meeting, priority will be given to those individuals who have not been contacted and interviewed as key informants.

5. **Communications with Contractor.** Walter Majoros agreed to act as primary liaison to the contractors, C & S Management Associates. Walter will provide contact information for other key individuals, such as legislative aides, to the contractor. Steve will distribute both meeting minutes (target 7 days following meetings) and meeting packets (7 to 10 days prior to meetings) by mail.

6. **Verification of Key Policy Issues.** Based on the prior two Task Force Meetings, a set of key policy issues has been developed and was included as part of the issues to be addressed by the contractor. The Task Force again reviewed and, in some cases amplified, these issues during the teleconference:

   (a) **Definition of Mental Illness** – Pat Murphy expressed the hope that the group not get bogged down in the details of mental illness definitions; the true issue is parity.

   (b) **Inclusion or Exclusion of Substance Abuse** – Banarsi Lal reiterated the expectation that the contractor would examine the issue of parity both with and without substance abuse included and present information to cover both possibilities to the Task Force.

   (c) **Definition of Eligible Expenses** – Representative Brice asked for amplification on this issue. Does this define who is a provider? What services are provided?

   (d) **Definition of Existing Employer Pool** – Considerable discussion took place regarding potential employers who may or may not be covered under any proposed parity legislation in Alaska. Examples of such organizations include State of Alaska employees or municipalities who are self-insured. Steve indicated that his first step would be to begin to identify and categorize employers and try to identify insurance coverage for the various groups.

   (e) **Mandatory versus Voluntary Coverage**

   (f) **Continuum of Options from Partial to Comprehensive Parity**

   (g) **Analysis of Actuarial Data, including Alaska-specific Information**

   (h) **Consideration of Public Input**

   (i) **Review/Approval of Final Report** -- Steve recommended a time line that calls for completion of a draft report by December 31. The working draft would be distributed to Task Force members during the third week of December. Upon their direction, the contractor would then distribute the draft for public comment. The Committee would receive such comment in written, oral, or testimony format (mid-January meeting). Comments from the all of the relevant groups and the Task Force would then be integrated into the report and the final edition distributed.

   (j) **Development of any Proposed Legislation**

(k) **Others** – Walter indicated that he had added this to ensure that there were no other major issues not included. With the short time available for the completion of work, it will be critical to have the relevant issues identified at the beginning.

7. **Options for Public Input.** The concept of public testimony at the next face-to-face meeting was approved. Walter and Steve will make arrangements.

8. **Determination of Future Meetings:**

(a) October 26, 1998, 9:30 am(Business Meeting and Public Testimony)
(b) November 24, 1998, Time TBA
(c) January 13, 1999, Time TBA
(d) Teleconference late December; date to be announced

9. **Next Meeting Agenda; Details.** Walter suggested that he and Steve work on meeting details and agenda. The Task Force agreed with this approach.

10. **Adjournment.** The meeting was adjourned at 12:50 pm.

Respectfully Submitted

Steven Hamilton
C & S Management Associates

Mental Health Parity Task Force

Monday, October 26, 1998
Legislative Information Office
Anchorage, Alaska

Minutes

1. **Call to Order.** The October 26, 1998 meeting of the Mental Health Parity Task Force was called to order by Co-chair Senator John Torgerson at 10:50 am in the conference room of the Legislative Information Office in Anchorage, Alaska.

2. **Attendance.** The following Task Force Members and Support were present:

Senator John Torgerson	Representative Tom Brice
Senator Johnny Ellis	Joe Heueisen
Dr. Cynthia Dodge	Banarsi Lal
Katsumi Kenaston	Patrick Murphy
Steven Hamilton (Contractor)	Matt Felix (Contractor)
Mary Hamilton (Contractor/Recorder)	

3. **Approval of Agenda.** The proposed agenda was accepted as presented.

4. **Presentation of Work Plan.** Steven Hamilton of C & S Management Associates presented a proposed work plan showing tasks, responsibilities, and timelines. The Task Force directed that the plan be modified to delay the scheduled November meeting until December 4. All other elements remained the same. The plan was approved as modified.

5. **Information Needed by National Contractor.** Steven Hamilton presented to the Task Force the requirements of the National Contractor in terms of needed information for modeling the costs of any proposed legislation. The required elements are:

   A. Number of Lives Covered under Existing Policies
   B. General Structure of Existing Policies
   C. Current Cost of Claims
   D. Basic Elements of Proposed Legislation
   E. Number of Employers/Employees (Size of Firms)

6. **Discussion of Parity Issues.**

   A. Definition of Mental Health. The Task Force discussed the issue of defining mental health with several options presented ranging from a strict, "seriously mentally ill" approach to a more flexible approach which includes all disorders identified in the DSM IV Manual. The group agreed to proceed with the assumption of a definition that includes all disorders listed in DSM IV with the exception of "V Codes," which are not usually covered by health insurance policies. This decision was based on the assumption that cost containment of any

mental health parity legislation could be accomplished by any of several other means.

B. Substance Abuse Inclusion. Steven Hamilton presented the group with a copy of existing legislation (A.S. 21.42.365 Coverage for treatment of alcoholism or drug abuse). This legislation provided for mandatory inclusion of substance abuse treatment in health insurance policies and included elements of parity. Since the cost estimates for any parity legislation prepared by the national contractor will include provisions with and without substance abuse, the Task Force decided to keep substance abuse under consideration for now.

C. Size of Employer Applicability. There have been several cutoffs in terms of exemptions for small employers. The federal legislation defines small employers (for purposes of exemption) as 50 employees, while other states have gone as low as 5. The existing legislation on alcoholism coverage (see B above) uses 20 employees as the break point. The Task Force decided to tentatively use this figure as the basis for modeling costs.

D. Other Cost Containment Features of Parity. Several other areas of parity that can be used to control costs are the applicability to co-payments/co-insurance, deductibles, lifetime policy limits, and maximum out of pocket expenses. In examining Mr. Bachman's models, the Task Force noted that Bachman's "Catastrophic" model includes parity in days/visits, lifetime and annual limits, and maximum out of pocket expenses. His "Financial Parity" model adds parity for co-insurance/co-payments and deductibles to the "Catastrophic" model. For purposes of analyses, the Task Force requested that Mr. Bachman develop costs for parity which (1) mirrors the federal minimum requirements; (2) contains the elements of "Catastrophic" parity; and (3) contains the elements of "Financial" parity. They directed Mr. Hamilton to enter into discussions with Mr. Bachman regarding these options.

7. **Public Testimony.** The Task Force began taking in-person public testimony at 3:00 pm. During the period 3:00 to 5:00 pm, a total of 9 persons signed in with 3 of those testifying before the Task Force. The Task Force re-convened at 7:00 pm to take both in-person and phone-in testimony. During the period 7:00 to 9:00 pm, one person testified in person and 19 persons called in, of whom 18 gave testimony.

8. **Adjournment.** The Task Force meeting was adjourned at 9:00 pm. The next scheduled meeting of the Mental Health Parity Task Force will be at 9:30 am on Friday, December 4, 1998 at the Alaska Psychiatric Institute (pending arrangements). A teleconference meeting may be called during November if the need arises.

Respectfully Submitted,

Steven Hamilton
C & S Management Associates

Mental Health Parity Task Force

Summary of Parity Elements

During the October 26 meeting of the Task Force, members indicated that they would tentatively like to approach parity on three levels:

1. Minimum elements required by the federal MH parity legislation
2. Ron Bachman "Catastrophic" parity model
3. Ron Bachman "Financial" parity model

To help in understanding what these models mean and, on a broad national level, what the expected cost might be, the following summary is presented:

Requirements of Federal MH Parity Legislation

Applies to: (1) Plans written with employers having more than 50 employees;
(2) Includes ERISA plans; and
(3) Plans which include mental health coverage; does not mandate coverage.

Elements: (1) Equates aggregate lifetime and annual limits for mental health coverage with those for medical and surgical benefits.

Est. Costs: The model developed by Mr. Bachman on a national level indicated an incremental cost (claims) ranging from .05% to .25% depending on the characteristics of the specific delivery system for federal legislation requirements. Federal legislation has a provision that allows employers who can demonstrate an increase in costs of greater than 1% to be exempted from the legislation. It would, therefore, be expected that experience would show costs under 1.0% over the long run.

Elements of "Catastrophic" Parity

(1) Equates aggregate lifetime and annual limits for mental health coverage with those for medical and surgical benefits (Federal Legislation);
(2) Provides parity for number of days/visits limits of mental health coverage; and
(3) Provides parity for maximum out of pocket expenses.

Costs: Mr. Bachman estimates, in the broad, national model, an increase of 1.1% with "Catastrophic" parity. While we could find no financial estimates for this particular model in the state-specific analyses, we could assume that it would fall somewhere between the cost of implementing federal legislation only and the cost of implementing "Financial" parity as outlined below.

Elements of "Financial" Parity

(1) Equates aggregate lifetime and annual limits for mental health coverage with those for medical and surgical benefits (Federal Legislation);
(2) Provides parity for number of days/visits limits of mental health coverage (Catastrophic model);
(3) Provides parity for maximum out of pocket expenses (Catastrophic model);
(4) Provides parity for Co-insurance/Co-payments; and
(5) Provides parity for Deductibles.

Costs: Mr. Bachman estimates, in the broad, national model, an increase of 2.4% with "Financial" parity. In examining some of his estimates for specific states, we found cost estimates ranging from 3.2% to 3.4% without inclusion of substance abuse and 4.9% to 5.9% which includes substance abuse. These estimates are applicable to systems that are most heavily represented by traditional fee for service policies. Estimates decrease slightly for systems more heavily slanted toward managed care. In my conversations with Mr. Bachman regarding the direction the Task Force was taking, the characteristics of the delivery system in Alaska, and the extent to which managed care is a driving force in Alaska, I came away with the impression that his cost estimates will likely range between 4.5% and 5.5%. Because these represent the cost of claims, it is difficult to know what the actual increase in premiums will be to businesses.

C&S
MANAGEMENT ASSOCIATES

P.O. Box 34757 • Juneau, Alaska 99803-4757

November 2, 1998

Mental Health Parity Task Force

Dear Task Force Member:

I am enclosing the minutes for our meeting on October 26 for your review. If there are problems, please let me know.

As you directed, I contacted Mr. Bachman and updated him on our progress. Based on the quantitative information that I am gathering and the direction that you provided, he indicated that he would be able to cost, as a minimum, the "Catastrophic" and "Financial" models with no further information from you. Although he does not specifically develop costs for implementation of the federal legislation only, he has provided general estimates that range from .05% to .25% depending on delivery system. I am also enclosing a summary of the two parity models that you identified in our October 26 meeting and how they relate to the federal legislation and each other.

I hope to have all of the information necessary to him by the last week of November. He indicated that October and November are full months for him and he would not be able to give full attention to our material until December in any event. He said that he should have all costs back to us in late December. At our December meeting, we will be able to review some general costs estimated from looking at other states. I have also obtained the information on employers and number of employees that I was seeking. This information will help you in finalizing your decisions on size of businesses exempted. I should be able to complete the draft report without further Task Force consultation provided: (1) you are able to decide on a tentative model, given the rough nature of the estimates on December 4; and (2) the rough estimates that we work from on December 4 are not significantly different from those which Mr. Bachman provides in late December.

Sincerely,

Steven Hamilton

Enclosure: (1) October 26 Meeting Minutes
(2) Summary of three MH Parity Models

Telephone (907) 789-0921 Fax (907) 789-1667

Mental Health Parity Task Force

Monday, December 7, 1998
Alaska Psychiatric Institute
Meeting Minutes

1. **Call to Order.** The December 7, 1998 meeting of the Mental Health Parity Task Force was called to order by Co-chair Representative Gary Davis at 10:30 am in Room 3123, Alaska Psychiatric Institute.

2. **Attendance.** The following Task Force members and support were present:

Representative Gary Davis
Joe Heueisen
Dr. Cynthia Dodge
Patrick Murphy
Steven Hamilton (Contractor)
Representative Tom Brice
Katsumi Kenaston
Banarsi Lal
Walter Majoros (AMHB Staff)

3. **Review of Data.** Steve Hamilton, contractor/consultant for the Task Force presented the data on Alaska employers/employees, health insurance coverage/lives covered, and cost information.

A. Alaska Employer/Employee Data. The data on Alaska employers and employees was collected from the Alaska Department of Labor. The estimated number of employees in the state is 200,000. There are approximately 80,000 employees of small businesses (less than 20 employees each) in Alaska. Based on national trends and the experiences of other states, it was estimated that approximately 48,000 of those employees are covered by health care insurance.

B. Insurance/Lives Covered. The data on insurance coverage was gathered from a number of sources including direct contact with 5 insurance companies as well as the Alaska Division of Insurance. Based on this data and the information on small business employees, it was estimated that there are approximately 107,000 non-ERISA lives covered exclusive of small business employees.

C. Cost Information. Mr. Hamilton presented cost information gathered from national sources on the different models of parity. He stressed that these were national figures and may or may not work for Alaska. The final cost estimates will be provided by Mr. Ron Bachman of PricewaterhouseCoopers after the Task Force develops a recommended parity package.

4. **Proposed Report Format and Content.** Mr. Hamilton presented to the Task Force a recommended final report format and content as included in the handouts. Feedback from the Task Force was to include additional research-based material on the cost-benefit of parity and mental health treatment in general. The group directed Mr. Hamilton to prepare the draft for distribution to Task Force members. The group would review the draft and meet by teleconference on December 30 to clear the public distribution of the draft. A final meeting is scheduled for January 13 in Anchorage to take public comment, review any additional material, review input from Mr. Bachman, and direct final changes to the report.

5. Policy Issues. The question of policy issues (parity package design) was raised by Mr. Hamilton as indicated on the meeting agenda. The Task Force indicated that they felt no further work was needed on this issue since it had been discussed at the previous meeting. The next discussion of the recommended parity package would be after the cost information is received from Mr. Bachman. Mr. Hamilton was directed to remain in contact with him and update the Task Force as information was provided. Mr. Hamilton indicated that Mr. Bachman's intent was to have cost data by the end of December. All necessary information for the development of these estimates has been provided to Mr. Bachman.

6. Implication for State Employee Health Insurance. Ms. Janet Parker of the Alaska Division of Retirement and Benefits addressed the Task Force to answer questions about the impact of mental health parity on state employee health insurance. She advised the Task Force that the current employees health insurance system employed comprehensive mental health parity and that any of the approaches under consideration by the Task Force would have no effect on state employees' insurance costs. She did say that the retirees insurance does not currently have mental health parity and, if there was a decision to implement parity in this system there would be a cost although she was not able to quantify such a cost. She noted that changing retirees policies to comply with state regulations or laws for commercial insurance was not required.

7. Adjournment. The meeting was adjourned at 3:30 pm. The next meeting is be teleconference at noon on December 30, 1998. Walter indicated that he would arrange for the teleconference and Mr. Hamilton would distribute the draft copies of the report for review. The next in-person meeting will be in Anchorage on December 13, 1999 at a place and time to be determined.

Respectfully Submitted,

Steven Hamilton
C & S Management Associates

Mental Health Parity Task Force

Wednesday, December 30, 1998
Teleconference Meeting
Minutes

1. Call to Order. The December 30 teleconference meeting of the Mental Health Parity Task Force was called to order by Representative Tom Brice. The purpose of the meeting was to review the draft Task Force Report and approve distribution of the draft for public comment.

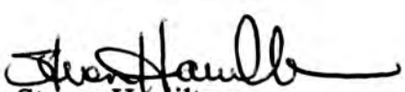
2. Attendance. The following Task Force Members and support were present:

Representative Tom Brice	Joe Heueisen
Banarsi Lal	Katsumi Kenaston
Patrick Murphy	Elmer Lindstrom

3. Review of Draft. The group decided to go through the draft section by section to determine what, if any, changes needed to be made prior to distribution for public comment. Mr. Hamilton pointed out that the review was not intended to produce a final copy but rather to ensure that the draft accurately reflected the work and intent of the Task Force. The final version of the report would be developed based on a more in-depth review by the Task Force, public comment, and the receipt of cost data from Mr. Ron Bachman. During the review, Mr. Lindstrom raised several questions about the data used to compute estimated costs. Mr. Hamilton explained the source of the data and Mr. Heueisen, who is employed in an insurance company, indicated that the data was as good as any he had seen given the nature of the subject. Based on these comments and further review, the Task Force directed Mr. Hamilton to distribute the draft report. Mr. Majoros indicated that the Alaska Mental Health Board would distribute copies to their mailing list. Mr. Hamilton said that he would ensure that the Chamber of Commerce, National Federation of Independent Businesses, and other interested individuals would receive copies.

4. Adjournment. The teleconference meeting was adjourned at 1:00 pm. The next meeting of the Task Force will be in Anchorage on January 13, 1999.

Respectfully Submitted,



Steven Hamilton
C & S Management Associates

Mental Health Parity Task Force

Monday, January 13, 1999
Legislative Information Office
Anchorage, Alaska

Minutes

1. **Call to Order.** The January 13, 1999 meeting of the Mental Health Parity Task Force was called to order by Co-chair Representative Gary Davis at 9:30 am in the conference room of the Legislative Information Office in Anchorage, Alaska.

2. **Attendance.** The following Task Force Members and Support were present:

Representative Gary Davis	Representative Tom Brice (telephone)
Elmer Lindstrom	Joe Heueisen (telephone)
Dr. Cynthia Dodge	Banarsi Lal
Katsumi Kenaston	Patrick Murphy
Marianne Burke	Steven Hamilton (Contractor)
Walter Majoros (AMHB Staff)	

3. **Approval of Agenda.** The proposed agenda was accepted as presented.

4. **Task Force Discussion.** The Task Force began the meeting by reviewing the three basic parity approaches under consideration. They reviewed the features and the estimated costs associated with each. A final decision on selection of the preferred parity package was deferred until after public comment and a teleconference with Mr. Ron Bachman to review cost estimates.

5. **Ron Bachman Teleconference.** At 10:30, the Task Force contacted Mr. Ron Bachman, consultant with PricewaterhouseCoopers, to discuss the cost estimates that he had provided. He reviewed his methodology as well as national trends. Mr. Bachman recommended adoption of the "Financial Parity Model," which was the most comprehensive of the three models under consideration.

6. **Public Testimony.** The Task Force received public testimony from members of the public attending the meeting in person. No one contacted the Task Force through the published teleconference number. All who testified did so in support of the Financial Parity model.

7. **Task Force Recommendations.** The Task Force members present voted unanimously to recommend the Financial Parity Model with mandatory coverage and substance abuse included. Mr. Hamilton was directed to make the appropriate changes to the report to reflect this decision. The amended report will be reviewed by Patrick Murphy, Walter Majoros (AMHB), and Representative Davis and Staff before going to final print. Once the final version is accepted, Mr. Hamilton will post the document on the Internet Web Site www.csmgt.com as an Adobe Acrobat document so that members of the public may download it.

8. Adjournment. The Mental Health Parity Task Force was adjourned at 3:30 pm. No further meetings of the Task Force are scheduled. Walter indicated that he will coordinate efforts with Representative Davis office to begin legislation drafting and briefing of Legislative Committees.

Respectfully Submitted,

Steven Hamilton
C & S Management Associates

Vicki Turner Malone 279 7232
Ken Duff Akela Tx SUCS 562-4450.
Cynthia Aiken Narcotic Drug Treatment Center Inc 276-6430 ext. 5
Karin Schaff VOA treatment Programs 279-9634

10/26/98
LIO Anchorage

MH PARITY TASK FORCE

10/26/98

ANCHORAGE, AK

(IF YOU WANT TO SIGN-UP) OPTIONAL

	NAME	ORGANIZATION/ADDRESS
Testify	TOM ENGLEHART	HUMAN AFFAIRS of ALASKA / MAGELLAN
	GENE O'HARA	ALASKA STATE HOSPITAL & NURSING HOME ASSOC.
yes	Don Degcevich	State Advisory Board on Alcholism & DA
yes	Robyn Henry	NAMI Alaska
yes	Bob Briggs	Disability Law Center of Alaska,

C&S
MANAGEMENT ASSOCIATES
P.O. Box 34757 • Juneau, Alaska 99801-4757 • Telephone: (907) 789-0921 • Fax: (907)789-1667 • Email: csmgt@alaska.net

✓ NINA [redacted]
[redacted]
[redacted] Denning
[redacted]

- Anchorage
- Juneau
- Sand Point — No Testimony
- Consumer Juneau

Vicki Turner Malone - MMI

No Insurance exacerbates difficulties
Early Tx produces better outcomes
Current system discourages early Tx.

People don't come forward because they are "afraid they'll be discovered.

[redacted]

Lake
Fairbanks
Juneau

NINA Simpson Jones - Senior Outreach

Seniors want to remain productive.
Depression often follows physical issues
80% or more suffer from depression.

Pam Watts

Good to work together for CD & MH

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(2)

[redacted]

Patricia Sheehan
Brain Injury – Been to API (Court)
Complaints – Not listened to.
Trying to get diagnosis straight. – HS problems.

+ [redacted] – Fairbanks
+ [redacted]
+ [redacted] Kenai

Kathryn Smith – Kake SEARCH
MH Contact person
Need to treat CD & MH hand in hand.

Jeanette Graston – NAMI AK/Fairbanks
2 Children with Mental Illness
New Coverage – No Coverage 1 year 50% after that
Coverage does not pay for all services

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Good place to start - State of Ak to cover MH better.

If people can get decent MH coverage they can work and be productive.

Retired from Alaska Electrical
→ good until retired.

Christine Blackgoat - Juneau

Behavioral Health Bifurcated in past
MH/CD → happy to see joint effort.

With medical we know good outcomes
we need to define outcomes that
are measurable & meaningful.

NANCY Kaling -

Husband retired 1995 - both retired
NYLCARE
Used to be good -
Now some meds covered out
Counseling is not.
Also has daughter - who has MH took most of money
now on SSI)

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Riel Manley — NAMI —
Consumer — State employee
Pre-authorization issues Does not like approval process
Trouble with self-esteem when applying for pre-authorization. When appear healthy - looks like don't need care.

+ [redacted]

Mary Stachelrodt —
Substance Abuse should be ~~con~~ included in AK definition of Mental Illness.

Frazier Santos
Substance Abuse should be considered in Mental Illness - Increasingly hard to separate out the two.
Has seen changes in benefits for S/A
Preferred provider is a problem - Geography is a problem.

Sue Skinner - Fairbanks Title 47 Issue
Parent of 18 ~~yo~~ Bipolar
I/P Bad Experience. - Early discharge from hospitals

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+ [redacted] Kenai
Support for SA/MH Parity

+ [redacted] - Should be on parity

[redacted] Separate to Dept of Admin

+ [redacted] - Wasilla
S/A Should be included.

+ [redacted] Kenai
S/A & MH Brought up to parity.

+ [redacted] - Talkeetna Double fine reimbursement

+ [redacted] - Fort Yukon
S/A Parity Law

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Get to director of Retirement & Benefits
Gary Bell

Janet McGillvary - CEO MH ASSN.
750
Would like Budget Report
⇒ Need More on
Public Input.
Possible testimony in Juneau - more than
just one day.

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MENTAL HEALTH PARITY TASK FORCE

DECEMBER 7, 1998

API

PUBLIC SIGN-IN

Name	REPRESENTING	ADDRESS
Walter Majoros	AK Mental Health Bd	431 N Franklin
Cindy Drinkwater	Disability Law Center	615 E 82nd Ave Anc
Ted Cooley	Alaska State Hospital & Nursing Home Association	211 Fourth St Suite 114 Juneau 99801
Sharon Macklin	Bridges	1400K Anch 99501
Janet Parker	SOA	Box 110203 Juneau AK 99811

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NAME	REPRESENTING	ADDRESS

Legislative Task Force on Mental Health Parity

January 13, 1999
Legislative Information Office
Anchorage, Alaska

PUBLIC TESTIMONY/ATTENDANCE SIGN UP SHEET

Name	Representing	Address	Telephone	Testify?
Mary Elizabeth Rider	AK Mental Health Trust	550 W. 7th # 1820 Anch 99501	269-7960	NO
Robyn Henry	NAMI Alaska	110 W. 15 Ave. Suite B 4/4 99501	277-1300	Yes - in Afternoon
Christine A Delgad	SSC (me)	315 BARROW 311 AK	279-4019	YES.
Tom Englehart	Human Affairs of Alaska Magellan Behavioral Health	4300 B St. Suite 202 Anchorage 99503	273-9232	NO
Yvonne Jacobson	Family/Consumer	1501 Helen Dr Anch AK 99516	345-0764	
Pat Cooley	AS HN HA	211 FOURTH STREET Suite 110 JUN 1/4 99801	463-6753	no

Legislative Task Force on Mental Health Parity

January 13, 1999
Legislative Information Office
Anchorage, Alaska

PUBLIC TESTIMONY/ATTENDANCE SIGN UP SHEET

Name	Representing	Address	Telephone	Testify?
T.N. OBERMEYER	SELF	3000 DARTMOUTH ANCH, AK 99508-4413	278-945	✓