

George H. Ryan  
GOVERNOR

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To the Honorable Members of  
The Senate  
92nd General Assembly

This nation has come a long way towards recognizing that mental illness can be diagnosed and treated in much the same way as other physical diseases. There was a time when this was not the case. Today, there is less of a stigma attached to mental illness than ever before and for that we should all be thankful.

Senate Bill 1341 is one of the more complicated bills passed during the Spring legislative session as it blends issues of fairness for individuals with mental illness with the broader issue of the cost of health care. Currently, in Illinois, we are searching for ways to lower the number of uninsured citizens. In most cases people go without coverage because either they can not afford the premiums or their employer can not afford to offer health insurance.

In the United States there is no mandate that individuals purchase health insurance. While most people who do have health coverage obtain this from their employer there is no requirement that employers offer health insurance to their employees. If an employer does offer health insurance, there are no requirements on how much they can or should ask individual employees to pay.

If a particular employer is large enough, and they offer health benefits, they most likely will do this through an "ERISA" program, a self-insurance mechanism that is subject to minimal federal guidelines and completely free of state regulation. Persons who work for a smaller employer will most likely purchase insurance products from an insurance company that is regulated by the Department of Insurance.

Currently, under federal law, all health insurance products that are sold to groups must have mental health coverage offered as an option--but the group does not have to make that purchase. In the past few years mental health advocates have worked hard around the country for state legislation that would require that mental health coverage be mandated at exactly the same levels of coverage as other physical illnesses.

Opposition to these proposals is partly because ERISA exempt programs cover the majority of insured citizens in Illinois. It is thought to be discriminatory to force people who purchase coverage from a state regulated entity to pay for something that is not required of everyone else. This problem is exaggerated as individuals and small groups pay more for health care coverage.

In an attempt to address these issues the mental health advocates and sponsors of SB 1341 have produced a bill that is greatly watered down from past legislative efforts. This bill would not apply to businesses with fewer than 50 employees, the provisions of this bill would sunset at the end of 2005, and before the sunset date the Department of Insurance must study the cost and effectiveness of this law.

Senate Bill 1341 will allow the public to grow more accustomed to accepting mental health coverage as a part of a solid, comprehensive health insurance package. Senate Bill 1341 allows medium and large businesses to move slowly so as not to be alarmed by the potential cost increases of this new coverage. And Senate Bill 1341 requires careful study of these costs so that future decisions on this issue can be based on facts and not anecdotes.

I have concerns about this study which, per Section 1405-30, must be conducted by the Department of Insurance. There was no companion appropriation for the Department. The charge to the Department seems a little vague. For example, they must analyze "...any improvements in care of patients..." a difficult topic for anyone to evaluate, let alone an agency whose historic mission is the regulation of insurance companies.

Maintenance of confidentiality is not specifically addressed in this legislation. I will ask the Department to work with experts in the field to make sure that confidentiality is maintained at all times. I will also make sure that the Department works with the appropriate outside groups as they proceed with all aspects of this study.

With the above stated concerns clearly expressed, I am signing Senate Bill 1341 into law while urging the many parties interested in this difficult issue to work together in the years ahead. If everyone cooperates there is genuine hope that progress can be made to improve treatment for mental illness.

Sincerely,  
George H. Ryan  
GOVERNOR