



PAUL TITTL

STATE REPRESENTATIVE • 25TH ASSEMBLY DISTRICT

Assembly Committee on Ways and Means

Assembly Bill 32

March 16, 2023

First of all, I would like to thank you, Chairman Macco and committee members, for allowing me to testify before you today on Assembly Bill 32.

Fifty-four of Wisconsin's 72 counties face a "significant shortage" of psychiatrists, and 20 have no practicing psychiatrist at all. This shortage has a substantial effect on the mental health of people throughout the state. Further, it touches all people: rich and poor, young and old, working and non-working. This bill is designed to address that serious shortage.

AB 32 creates a tax incentive for psychiatrists and psychiatric or mental health nurse practitioners (practitioners) who stay in Wisconsin after graduation to practice in the mental health field. The tax incentive also extends to those from other states who move to Wisconsin to practice.

Under the bill, psychiatrists or practitioners serving in underserved areas of the state could claim a deduction for the first \$200,000 of income earned in a taxable year. Psychiatrists and practitioners serving in other areas could claim a \$100,000 deduction. The deduction could be taken for a total of five years. That five year period begins when a psychiatrist or practitioner first claims the credit. The credit must initially be claimed within the first two years a psychiatrist or practitioner begins to practice in Wisconsin or returns after practicing in another state.

The bill contains a clawback provision requiring psychiatrists and practitioners leaving the state during the five-year period to pay taxes that would have been due if this tax provision were not in place.

Mental health costs are staggering. The daily cost at the Mendota Mental Health Institute is \$1,319. With 97,064 inpatient days annually, the total cost amounts to more than \$128 million.

When people suffer with untreated mental health matters, their situations often get worse, become more difficult to address, and spill over into family, social and employment settings, leading to significantly higher financial and social costs.

Attracting psychiatrists and practitioners our state and addressing these situations today is better than leaving them for our children and grandchildren to handle when the problems have grown even larger.

Thank you for this opportunity to testify before you today. I appreciate your consideration of this bill and would be happy to take any questions you might have.

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March 16th, 2023

Testimony on 2023 Assembly Bill 32

Relating to: creating an individual income tax deduction for certain income earned by an individual from the practice of psychiatry or from providing psychiatric or mental health services.

Dear Chairman Macco, Vice-Chair Brooks, and Committee Members:

Thank you for giving me the opportunity to speak on Assembly Bill 32. We need all hands on deck when it comes to mental healthcare here in Wisconsin, and this bill would be a valuable tool in the tool box to help address this growing problem.

Let's not sugarcoat it – Wisconsin is battling a mental health crisis. Even before the COVID-19 pandemic, Wisconsin's alcohol and drug-induced deaths were increasing at twice the rate of the national average. The pandemic only accelerated these patterns: the number of alcohol-induced deaths and opioid overdoses spiked by nearly 25% between 2019 and 2020 alone. As of 2021, the number of opioid deaths had also jumped 70% since 2018.

If these statistics were not startling enough, they come at a time when Wisconsin counties are struggling to address their psychiatric needs. According to the University of Wisconsin Population Health Institute, 55 of Wisconsin's 72 counties had "significant shortages" of psychiatrists. Furthermore, the study found 31 counties needed more than two additional full-time psychiatrists to meet their demand for care. Couple these shortages with the mental health trends mentioned earlier, and it is clear that our state needs to take action.

While this is a complicated issue with many layers, I think one of the first and major issues we need to address is a lack of recruitment and retention of mental health professionals, especially in rural areas. Assembly Bill 32 does just that by encouraging new people to enter the field by offering them an income tax deduction. Professionals who relocate to Wisconsin from out of state are also eligible for the deduction. Lastly, the bill targets medically underserved areas, allowing those who choose to practice in these areas to claim up to \$200,000 instead of the standard \$100,000. While not a silver bullet, I think this proposal could be a huge asset when it comes to building our mental health labor force.

Thank you all again for allowing me to testify on this legislation. I am available to take any questions.

Respectfully,

A handwritten signature in black ink, appearing to read "Jesse James".

Senator Jesse James
23rd Senate District
Sen.James@legis.wisconsin.gov

From: Gibbons, Jessie <Jessie.Gibbons@legis.wisconsin.gov>
Sent: Wednesday, March 15, 2023 3:36 PM
To: Hall, Steve <Steve.Hall@legis.wisconsin.gov>
Subject: RE: Research Request: Psychiatrists

Steve,

Just sending an update on the status of this research request. I reached out to the Department of Safety and Professional Services, the Department of Health Services, and the Wisconsin Medical Society to request this information. Unfortunately they do not have answers to your questions, and I was unable to find this information anywhere else.

The U.S. Bureau of Labor Statistics has published an estimated number of psychiatrists employed in Wisconsin in recent years. Their estimates exclude self-employed individuals. They estimate the following:

- 360 psychiatrists were employed in Wisconsin as of May 2021
- 420 psychiatrists were employed in Wisconsin as of May 2020
- 460 psychiatrists were employed in Wisconsin as of May 2019

I hope this is somewhat helpful. If you have any other questions or would like additional information, please let me know.

Best,

Jessie



Jessie Gibbons

Legislative Analyst
Wisconsin Legislative Reference Bureau
1 East Main Street, Suite 200
Madison, WI 53703



TO: The Honorable Members of the Assembly Committee on Ways and Means

FROM: Nathan Berken
*Interim Vice President, Government and Community Relations
Medical College of Wisconsin*

DATE: March 16, 2023

RE: Testimony in Support of 2023 Assembly Bill 32, Creating an Individual Income Tax Deduction for Certain Income Earned by an Individual from the Practice of Psychiatry or from Providing Psychiatric or Mental Health Services

Good morning, Chairman Macco and Members of the Assembly Committee on Ways and Means. Thank you for holding a public hearing on Assembly Bill 32 (AB 32), legislation to create an individual income tax deduction for the practice of psychiatry and mental health. MCW strongly supports this legislation, which will help address our state's mental health crisis and the shortage of psychiatrists and psychiatric and mental health nurse practitioners.

MCW is grateful to Representative Paul Tittl and Senator Jesse James for authoring and advancing this legislation. MCW also appreciates the shared, bipartisan approach Wisconsin's elected officials have advanced together over the past decade to address mental health. There has been much progress, and the need to move this issue forward continues into the next decade.

Wisconsin's Mental Health Crisis

Mental Health America ranks Wisconsin the 9th highest of 50 states in the prevalence of mental health and substance use disorders. To put the severity into perspective, a recent Kaiser study ranked Wisconsin 49th of 50 states, meeting just under 21% of the state's mental health needs.

The COVID-19 pandemic has only exacerbated the mental health crisis. In November 2021, the American Psychological Association reported that since the onset of the pandemic, rates of anxiety and depression have risen four-fold versus 2019 levels. In 2019, less than 10% of adults reported symptoms of anxiety and/or depression, but from April 2020 (pandemic onset) through August 2021, adults reporting anxiety symptoms ranged between 28%-37%, and rates of depression ranged from 20%-31%.

To appreciate the staggering and tragic impact on human life, however, please consider the following:

- Suicide is the second leading cause of death among 15–24-year-olds
- Young people between the ages of 15 and 24 have the highest rate in Wisconsin of hospitalizations and emergency room admissions for self-inflicted injuries
- People with severe mental illnesses are over 10 times more likely to be victims of violent crime versus the general population
- Half of all mental health disorders show first signs before a person turns 14 years old, and three quarters of mental health disorders begin before age 24.

Compounding these issues, our state's largest age group is rapidly becoming an expanding geriatric population. Alzheimer's and other dementias are already greatly challenging health systems and under-resourced mental health care systems across Wisconsin. The number of dementia cases will unfortunately continue to surge for years to come. Unfortunately, the challenges that occur with dementia will be tremendous for patients, their families, providers and the community.

AB 32 Helps Address Workforce Shortages

The Wisconsin Policy Forum reports that 55 of Wisconsin's 72 counties, meet the state's criteria of having a "significant shortage" of psychiatrists (1 psychiatrist per 10,000 individuals). Estimates vary, but it is likely Wisconsin needs 250 more psychiatrists to meet our state's needs. The average age of Wisconsin's 759 psychiatrists is 50 years old with 15% over the age of 65. Psychiatrists in the northern and central counties are, on average, older than ones in southern and eastern Wisconsin.

Given Wisconsin's aging psychiatric workforce, AB 32 provides a meaningful incentive for new providers to enter the workforce pipeline in Wisconsin and continue practicing here.

The lack of mental health providers places enormous strain on primary care providers and their teams. Although family physicians, internal medicine physicians, pediatricians and other primary care providers do receive residency training related to mental health, these providers often share that this training is limited, as psychiatry is not a focus of primary care.

The psychiatrist shortage is a national problem that will not be resolved soon, due to multiple factors. It takes 4 years to train a psychiatrist after completion of medical school. Additional challenges include mental health reimbursement rates, as well as federal funding limitations to expand graduate medical education residency training for psychiatry. Regardless of these challenges, we need to think creatively and comprehensively to address our patients' needs, now, rather than later.

Recruiting and retaining the next generation of psychiatrists and nurse practitioners with mental health expertise will prove to be an important component of addressing Wisconsin's mental health workforce shortages.

Thank you for your time and consideration, and MCW respectfully requests your support for AB 32. Please contact me at 414.955.8217, or nberken@mcw.edu, if you have questions or need additional information.



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TO: Members of the Assembly Committee on Ways & Means

FROM: Ann Zenk, RN BSN MHA, Senior Vice President Workforce and Clinical Practice

DATE: March 16, 2023

RE: WHA Supports Assembly Bill 32

Wisconsin's health care workforce continues to grow, but it is not growing fast enough to keep pace with the demographic health challenges our state and the nation face. The U.S. is in the midst of a generational shift with momentous implications; the aging of the very large baby boom generation, the "Silver Tsunami, means that one in four Wisconsin citizens will be 65 years or older by 2032. For all industries, this means a shrinking available workforce. The challenge is compounded for health care because an aging population increases the demand for medical care.

Wisconsin hospitals are feeling the impact of the Silver Tsunami in waves of retirements and increasing demand. Hospital employment is growing in an attempt to keep pace. Wisconsin hospitals and health system employ more than 110,000 individuals, including physicians and advanced practice clinicians dedicated to providing psychiatric and mental health services. This number would be closer to 120,000 if the thousands of positions hospitals are recruiting for could be filled. In the last ten years, the number of registered nurses working in hospitals has increased by 2% annually.

WHA greatly values the partnership we have forged with the Wisconsin Legislature to grow our health care workforce. Foremost among these is the Graduate Medical Education grant program that has added 149 more residency slots to train new physicians each year, and the Rural Wisconsin Initiative training grant program that has added 46 additional programs to train advanced practice physicians, nurse practitioners, and allied health professionals, particularly in rural areas. But our work is far from over and other states are similarly realizing that recruiting health care workers from other states is one of the handful of tools available to immediately address workforce challenges.

Just last week, Michigan allocated an additional \$75 million towards health care provider recruitment, retention and training. This is on top of \$225 million that had already been appropriated, benefiting tens of thousands of health care workers who received retention bonuses or were successfully recruited to Michigan. We must continue to work alongside policymakers and focus on ways that make Wisconsin more competitive for our healthcare workforce.

Growing the health care workforce to sustain the high-quality health care Wisconsin citizens have become accustomed to and deserve is going to take concerted effort on multiple fronts, including attracting and retaining new providers and staff. The incentives in Assembly Bill 32 will provide an advantage for recruiting psychiatrists and mental health nurse practitioners from other states.

WHA requests your support of Assembly Bill 32.



Date: **March 16, 2023**

To: **Chair Macco and the Assembly Committee on Ways and Means**

From: **Bellin and Gundersen Health System**

Re: **AB 32, relating an individual income tax deduction for certain income earned by an individual from the practice of psychiatry**

Chair Macco and members of the Assembly Committee on Ways and Means, thank you for holding a public hearing today on Assembly Bill 32. On behalf of Bellin and Gundersen Health System, I am writing to express our support for this legislation.

Bellin and Gundersen Health System is an integrated care delivery system providing services throughout 35 counties in Wisconsin, Iowa, Minnesota, and Michigan's UP. Our system provides patients and communities with access to top-tier care at 11 hospitals, 100+ local clinic locations and more than 1,400 providers. Furthermore, we provide behavioral health and mental well-being support services at our two inpatient behavioral health hospitals in La Crosse and Green Bay. These services include family therapy, outpatient psychiatry, residential addiction treatment, and inpatient treatment for adults and adolescents.

Bellin and Gundersen believe it is part of our mission to provide strong behavioral health care services close to home for our patients. The inpatient facilities in La Crosse and Green Bay serve a wide radius in Western and Northeastern Wisconsin and are some of the last inpatient behavioral health care services within their respective regions. With the challenges of recruiting psychiatrists, we believe providing income tax relief is a creative tool that would greatly help our organization incentivize these providers to stay or return to Wisconsin and practice within our service areas. Since these providers are not currently practicing or investing in our communities, we believe this proposal would have a minimal cost to our state and has the potential to ultimately increase access to essential behavioral health services for our patients in the long run. With 55 out of 72 Wisconsin counties having a shortage of psychiatrists, it is more important than ever to find ways to recruit psychiatrists and mental health nurse practitioners to our rural and underserved communities.

Thank you for your time and consideration.

Sincerely,

Nathan Franklin

Director, External Affairs
Bellin and Gundersen Health System

Josh Court

Clinical Operations Director, Behavioral Health
Gundersen Health System

Debbie Patz

Vice President, Bellin Psychiatric Center
Bellin Health



To: Rep. John Macco, Chairperson
Members, Assembly Committee on Ways & Means

From: Stephanie Ludtke, PA-C, Chair, Legislative & Government Relations Committee

Date: March 16, 2023

Re: AB 32, creating an individual income tax deduction for certain income earned by an individual from the practice of psychiatry or from providing psychiatric or mental health services.

On behalf of the Wisconsin Academy of Physician Assistants, I respectfully request you include physician assistants (PAs) among those who may benefit from the tax deduction created by Assembly Bill 32. PAs, like the nurse practitioners already covered by the bill, practice in psychiatry and provide mental health services across Wisconsin.

PAs are on the frontlines helping Wisconsin battle the mental health and alcohol and other drug abuse crisis we are facing. As noted in the authors' co-sponsorship memorandum, 55 of Wisconsin's 72 counties have "significant shortages" of psychiatrists. AB 32 is well-intentioned to provide an incentive for psychiatrists and certain nurse practitioners to come to Wisconsin, particularly in medically-underserved areas. PAs can help, too, and should be provided the same incentive as the professionals already covered by the bill.

More than 2,600 PAs practice in Wisconsin, working to provide high-quality, cost-effective, team-based care to patients across the state. PAs practice in every area of medicine, including in psychiatry and in providing mental health care services. PAs provide physical and mental health exams, diagnose and treat illnesses, assist in surgery, and prescribe medication.

PAs have a strong foundation in primary care, but their comprehensive education also enables them to practice in a variety of specialty areas, including in psychiatry and in providing mental health services. Allowing PAs to benefit from this tax deduction, too, will help expand access to such care, particularly in rural Wisconsin.

If you have any questions, please contact R.J. Pirlot of the Hamilton Consulting Group at 608-258-9506.