Affordable Care Act 101: The Basics and Mental Health Components of the Health Reform Law

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Overview of ACA

- Insurance Expansion Efforts
  - Medicaid expansion
  - State Insurance Exchanges
- Essential Benefits Package
- Private Market Reforms
- Other Important Provisions

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Mental Health in Health Care Reform

The Patient Protection and Affordable Care Act (ACA) was enacted March 23, 2010 to expand coverage to:

- 28 million Americans – decreasing uninsurance by 10.3%
- In 2010 – 18.9% or 50.9 million of the nonelderly population were uninsured

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Expanding Coverage

The new law will greatly expand access to health care coverage including mental health care and substance use treatment primarily through the following provisions:

- In 2014, Medicaid will expand to 133% of the federal poverty level
- An individual mandate will require most individuals to obtain insurance.
- Guaranteed issue – no one can be denied insurance coverage based on preexisting conditions
- State insurance Exchanges will be established for individuals and small employers to purchase insurance.

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In 2022

	Uninsured	Medicaid	Exchanges	Individual/ Other	Employer
ACA fully implemented	27 million	49 million	22 million	28 million	158 million
ACA not implemented	60 million	32 million	--	31 million	161 million

Congressional Budget Office estimates

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Medicaid Expansion

- **In 2014, Medicaid will expand to 133% of the federal poverty level**
  - $14,404 for individuals; $29,327 for families of four regardless of traditional eligibility categories (thus including childless adults).
- **Those newly eligible for Medicaid through the expansion will not receive regular Medicaid benefits**
  - instead benefits modeled on private insurance packages.
- **Mental health and substance use benefits that are required of plans offered through the Exchanges will apply to those newly eligible for Medicaid through the expansion.**
- **Federal parity requirements will also apply to those newly eligible for Medicaid.**

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Medicaid Expansion – Benefit Package

- Not full Medicaid benefits
- Benchmark coverage instead – private insurance models established in CHIP statute
- But amended to include mental health and prescription medications as mandatory
- Wellstone/Domenici Parity Law applies
- As of 2014, benchmark coverage must also comply with essential benefit package requirements for state health insurance exchanges (adds substance abuse benefits)

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Supreme Court Decision

- States can opt out of the Medicaid expansion
- After ruling coverage estimates:
  43 million on Medicaid (prior est. 49)
  25 million in Exchanges (prior est. 22)
  30 million uninsured (prior est. 27)

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Reluctant States

Governors Rejecting Medicaid Expansion

- Iowa
- Florida
- South Carolina
- Texas
- Louisiana
- Mississippi

Governors Waiting to Decide

- New Jersey
- Utah
- Wisconsin
- New Jersey

State Exchanges

The pooling of risk is made possible through the creation of Exchanges.

The Affordable Care Act requires the establishment of state-based health plan "Exchanges" by January 1, 2014 through which individuals and small businesses can purchase coverage with pooled risk and thus lower premiums.

Overseeing Exchanges – Center for Consumer Information and Insurance Oversight (CCIIO)

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No Wrong Door

- Enrollment and Outreach
- Patient Navigation
- Coordination with Medicaid
- Special concern for “hard to reach populations”
- Subsidies for 100-400% FPL

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State Options

- State-based Exchanges
- State Partnership Exchanges
- Federally Facilitated Exchanges (FFE)

Mental Health and Substance Use

- **Mental health care and addiction treatment are included on the list of essential benefits that must be covered in new plans offered to the uninsured through the exchanges.**
  - Essential benefits will be based on benefit packages already sold in the state.
  - The state can decide to enhance the benefit package
- **The Mental Health Parity and Addiction Equity Act applies to these health insurance plans.**

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Required Categories of Essential Benefits

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- **Mental health and substance use disorder services, including behavioral health treatment**
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services, including oral and vision care

Benchmark Plans

States Choose Best Option

- One of the three largest small group plans in the state by enrollment
- One of the three largest state employee health plans by enrollment
- One of the three largest federal employee health plan options by enrollment
- The largest HMO plan offered in the state's commercial market by enrollment

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Private Insurance Market Reforms

- Preexisting condition exclusions [including mental health] are prohibited in all plans starting in 2014 for adults and six months after enactment (September 23, 2010) for children.
- Beginning in 2014, premiums may no longer be based on health [or mental health] status
- Lifetime caps on the dollar value of benefits are prohibited in all plans starting six months after enactment and annual limits are restricted (as determined by the Secretary) until 2014 and prohibited after that.
- All plans are required to cover preventive services at no cost to the individual (effective September 23, 2010).
- Pre-existing Condition Insurance Plan (PCIP) - HHS established a temporary high risk insurance pool 90 days following enactment to provide coverage to people with preexisting conditions unable to access coverage.
- Young adults ages 19-25 can remain on their parents' insurance plans.
- Minimum percentage of premiums going toward services.

Health Home Pilot Program

- Medicaid pilot program is available to establish a health homes for the following enrollees:

  - Individuals with SMI
  - Individuals with 2 chronic illnesses
  - Individuals with 1 chronic illness at risk for another
- Coordinated team to provide care
- 90% federal match

Duals Demonstrations

Target group – people who receive both Medicaid and Medicare

Current problem - poorly coordinated care, fragmented delivery system and conflicting incentives

- Medicare - hospital services, prescription drugs, and other medical benefits
- Medicaid - long-term care services
- Results – hinders case management and transitions between acute, community, and long-term care settings
- Integration - create a single point of accountability and incentives

Goal of demo - better integration of the two programs and improved patient outcomes

Prevention and Public Health Fund

$5 billion for FY 2010 through 2014 and $2 billion each year after that for prevention and public health programs

- Community Transformation Grant Program (CDC)
- National Prevention Strategy (CDC)
- Public Health Workforce Development (HRSA)
- Mental Health Training (HRSA)
- Primary & Behavioral Health Integration (SAMHSA)
- Suicide Prevention - Garrett Lee Smith (SAMHSA)

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Mental health is essential to overall health.

For More Information

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Health Reform Resources

http://www.mentalhealthamerica.net/go/action/policy-issues-a-z/healthcare-reform

KFF Implementation Timeline

http://healthreform.kff.org/timeline.aspx