The Affordable Care Act

How it Helps Individuals and Families Living with Mental Illness

Health Care and Mental Illness

Today, recovery is the expectation for people who experience mental illness. We know that treatment works—if you can get it. However, there is an average delay of eight to 10 years between onset of mental illness and when people typically get treatment.

With more than 46 million uninsured people and revenue shortfalls impacting community mental health and Medicaid program eligibility and services, many children, youth and adults living with serious or ongoing mental health needs have little or no access to care. And, for those who are insured, existing laws (such as pre-existing condition exclusions) often create barriers to getting needed treatment for mental health and co-occurring disorders.

The Patient Protection and Accountable Care Act (ACA) addresses many of the challenges people have in getting and keeping health care coverage. The chart below identifies key provisions of the law that offer meaningful benefits to individuals living with mental illness and their families. However, NAMI cautions that while states must maintain their current Medicaid eligibility levels for adults until insurance Exchanges are fully operational, states do not have to maintain current Medicaid benefit levels. NAMI urges members to advocate for maintaining or enhancing mental health benefits for existing Medicaid enrollees.

Key Provisions in the Patient Protection and Affordable Care Act

PATIENT PROTECTIONS IN PRIVATE INSURANCE		Effective Date
Pre-existing Medical Conditions	Insurers may not deny coverage, charge a higher premium or provide coverage that excludes coverage of essential health benefits due to a pre-existing medical conditions or past history of a medical condition. • Effective Sept. 23, 2010 for children under 19.	**Jan. 1, 2014**
Extension of Dependent Coverage	Allows young adults to remain on their parents' or guardians' health plan up to age 26. • Young adult does not have to live with parent or guardian, does not have to be a dependent on a parent or guardian's tax return and does not have to be a student. • Young adult may be married, but coverage does not extend to individual's spouse or children. • Until 2014, young adults aged 19-26 may be subject to pre-existing condition exclusions.	**Sept. 23, 2010**
Lifetime Limits	Prohibits lifetime limits on benefits.	**Sept. 23, 2010**
Annual Limits	Prohibits annual limits for group plans and new plans in the individual market.	**Jan. 1, 2014**

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PATIENT PROTECTIONS IN PRIVATE INSURANCE (continued)		Effective Date
Temporary High-risk Pools	States may provide high-risk insurance pools to offer coverage to people with pre-existing conditions who have been uninsured for at least six months until health insurance exchanges are operational and bans on pre-existing condition exclusions go into effect. • If a state elects not to establish a high-risk pool, a federally-run pool will be available for state residents.	**June 21, 2010**
Guaranteed Issue and Renewability	Insurers must accept every employer and individual that applies for coverage and must guarantee renewability of plan.	**Jan. 1, 2014**
Community Rating (affects premiums)	Plans may not charge higher premiums based on pre-existing conditions, health status or gender. Premiums can only vary by age (within 3:1 range), geography, family size and tobacco use.	**Jan. 1, 2014**
Rescission (affects coverage)	Plans may not unfairly drop or withdraw coverage to avoid paying claims for enrollees who get sick. Rescissions will be permitted, but only with clear evidence of an enrollee committing fraud.	**Sept. 23, 2010**
Appeals Process for Denials	New plans must implement an effective internal and external appeals process for coverage determinations and denials of claims.	**Sept. 23, 2010**
Medical Loss Ratios	Health plans must spend at least 80-85 percent of premium dollars on medical care. Plans that do not meet minimum requirements will be required to provide refunds to consumers.	**Jan. 1, 2011**
INSURANCE EXCHANGES		**Effective Date**
Health Insurance Exchanges	States may establish an insurance exchange or exchanges for individual and small group plans. Exchanges will provide a range of choices in health coverage for individuals and small businesses. • If a state elects not to establish an exchange, a federally run exchange will be available for state residents.	**Jan. 1, 2014**
Insurance Exchange Provisions		
Benefits Package	All individual and group plans through exchanges must comply with federal parity regulations and provide an "essential benefits" package that includes: • Prescription drugs, mental health and addictions treatment and rehabilitation services. • Certain preventive services covered with no cost-sharing or deductibles. Cost-sharing levels will vary by plan types (Bronze plans pay 60 percent of costs, Silver 70 percent, Gold 80 percent and Platinum 90 percent).	**Jan. 1, 2014**

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Insurance Exchange Provisions (continued)		
Premium Assistance	Varying premium assistance will be available for individuals when cost of health insurance premium exceeds certain percentages of income.	**Jan. 1, 2014**
Individual Responsibility	Most individuals will be required to obtain health insurance coverage. • Tax penalties for those who do not comply. • Exceptions will be made for financial hardship and religious objections.	**Jan. 1, 2014**
MEDICAID		**Effective Date**
Expanded Coverage through Medicaid	States will be required to expand Medicaid eligibility up to 133 percent of poverty (plus additional five percent "income disregard") for all non-elderly individuals. • Federal match funds (FMAP) will provide 100 percent of funding for expanded populations from 2014-2016, then phase down to 90 percent by 2020. • Newly eligible Medicaid enrollees *may receive benefits that are more limited than regular Medicaid benefits*. Benefits may resemble those available in exchange plans, but will include mental health and addiction treatment. • In 2019, full Medicaid coverage will be available to former foster children up to age 25 who were in foster care for more than six months.	**Jan. 1, 2014**
Medication Coverage	Benzodiazepines and barbiturates may no longer be excluded from state Medicaid coverage of prescription drugs.	**Jan. 1, 2014**
Primary Care Provider Rates	Primary care providers will receive Medicaid payment rates increased to 100 percent of Medicare rates for 2013 and 2014. • 100 percent federal match will be provided for meeting this requirement.	**2013-2014**
Institution for Mental Disease (IMD) Demonstration Program	A new demonstration program will allow Medicaid coverage of acute inpatient care provided in private psychiatric hospitals for non-elderly adults. Currently, IMDs for adults aged 22-64 are not eligible for federal Medicaid match funds. • Three-year demonstration project eligible in up to eight states.	**Oct. 1, 2010** (tentative)
Medicaid State Options		
Early Medicaid Expansion Option	States may expand Medicaid to childless adults prior to mandatory expansion in 2014. • Early expansion will receive regular federal match until enhanced (100 percent) match available in 2014.	**April 1, 2010**
Home and Community-based Service Flexibility	Provides new flexibility in existing Medicaid state plan option for covering home and community-based services to allow inclusion of individuals with higher incomes and permits full Medicaid service benefits.	**Oct. 1, 2010**

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Medicaid State Options (continued)		
Presumptive Eligibility by Hospitals	States may permit hospitals who participate in Medicaid to determine presumptive eligibility for all Medicaid categories. This allows Medicaid billing for individuals who are expected to meet eligibility criteria. • Payments made for medical assistance during the presumptive period are not subject to review for improper payments based on state eligibility determinations.	**Jan. 1, 2014**
Medicaid "Health Home"	New Medicaid state plan option will allow enrollees with at least two chronic conditions, including serious mental illness, to designate a provider (this can be a community mental health center) as a "health home" to better coordinate access to primary care. • 90 percent federal funding provided for two years after a state establishes this option.	**Jan. 1, 2011**
Community First Choice	New Medicaid state plan option will allow states to provide community-based services for individuals with disabilities and incomes up to 150 percent of the federal poverty line who would otherwise require institutional care. • Six percent federal match increase for services provided under this option.	**Oct. 1, 2011**
Preventive Services	State Medicaid plans that cover immunizations and federally recommended preventive services for adults with no cost-sharing will receive a one percent increase in federal Medicaid funding.	**Jan. 1, 2013**
MEDICARE		**Effective Date**
Medicare Part D Relief	$250 rebate available for Medicare Part D enrollees who reach the prescription drug coverage gap known as the "donut hole." • In 2011, provides a 50 percent discount on brand-name drugs and smaller discounts on generic drugs. Discounts will steadily increase to eliminate coverage gap by 2020.	**Sept. 23, 2010**
Wellness and Preventive Services	Medicare will provide annual wellness visit and personalized prevention plan services and eliminate cost-sharing for preventive services approved by US Preventive Services Task Force, such as adult depression screening.	**Jan. 1, 2011**
OTHER BENEFITS		**Effective Date**
Enrollment Assistance	States must create websites that enable individuals to apply for or renew Medicaid, Children's Health Insurance Program (CHIP) or exchange coverage. • Website must allow eligible individuals to compare available benefits, premiums and cost sharing for each private plan with Medicaid.	**Jan. 1, 2014**
Small Business Tax Credit	Qualified small businesses may be eligible for a tax credit up to 35 percent of the employer's contribution to employees' health insurance. • 25 percent credit for small nonprofit organizations.	**Effective Tax Year 2010**

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OTHER BENEFITS (continued)		Effective Date
Medicaid and CHIP Outreach	States must conduct outreach to enroll vulnerable and underserved populations in Medicaid and CHIP. • Vulnerable populations include children with special health care needs and individuals living with mental illness.	**Jan. 1, 2014**
Children's Health Insurance Program	States will receive funding through FY 2015 for the Children's Health Insurance Program to provide coverage for children who are not eligible for Medicaid. • States will receive a 23 percent increase in CHIP match rate beginning Oct. 1, 2016 through 2019.	**Extends Authorization through FY 2015**
CLASS Act (long-term care insurance)	Creates a long-term care insurance program financed by voluntary payroll deductions to provide cash benefits to adults who become disabled.	**Jan. 1, 2011**
Melanie Blocker Stokes Postpartum Depression Program	Establishes federal initiative on postpartum depression through a public education campaign and new grant program to provide medical and support services for people with or at risk of postpartum depression.	**To Be Determined**
Comparative Effectiveness Research	New independent Patient-centered Outcomes Research Institute to prioritize and fund research on the comparative effectiveness of health care interventions.	**Fiscal Year 2010**
Cures Acceleration Network (CAN)	New National Institute of Health (NIH) program to fund research designed to speed development of high-need medical cures.	**To Be Determined**
Federal Grants		
Primary Care Integration	Federal grants will be available for co-location of primary and specialty care services in community-based mental and behavioral health settings.	**Begin FY 2010**
Health Care Workforce Development	Establishes multiple workforce initiatives, including the following: • Primary Care Extension Program to educate primary care providers on chronic disease management, mental health and substance abuse services and evidence-based interventions. • Pediatric Specialty Loan Repayment Program provides incentives for providing certain specialties, including child and adolescent mental health and substance abuse treatment. • Grants to schools of social work, graduate psychology programs and professional and paraprofessional training in child and adolescent mental health.	**Begin FY 2010 and FY 2011**
Centers of Excellence on Depression	The Substance Abuse and Mental Health Services Administration (SAMHSA) will issue grants to develop innovative interventions for depression.	**To Be Determined**

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