NAMI National Alliance on Mental Illness | Fact Sheet

Health Care Reform:

How it helps individuals and families who live 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 ten years between onset of mental illness and when people typically get treatment.

With over 46 million uninsured people and revenue shortfalls impacting community mental health and Medicaid program eligibility and services, many children and adults with serious or chronic 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.

Federal health care reform addresses many of the challenges people have in getting and keeping health care coverage. The chart below identifies key provisions in the federal Patient Protection and Affordable Care Act that offer meaningful benefits to individuals and families who live with mental illness. 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 condition or past history of a medical condition. – Effective Sept 23, 2010 or earlier for children under 19	**Jan 1, 2014**
Extension of dependent coverage	Allows young adults to remain on their parents' or guardians' health plan 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 ages 19-26 may be subject to pre-existing condition exclusions	**Sept 23, 2010**
Lifetime limits	Prohibits lifetime limits on benefits.	**Sept 23, 2010**

PATIENT PROTECTIONS IN PRIVATE INSURANCE		Effective date
Annual limits	Prohibits annual limits for group plans and new plans in the individual market.	**Jan 1, 2014**
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 ban on pre-existing conditions goes into effect. – If a state elects not to establish 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 to 85% 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		
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 rehabilitative services – Certain preventive services covered with no cost-sharing or deductibles Cost-sharing levels will vary by plan types (Bronze plans pay 60% of costs), Silver (70%), Gold (80%) and Platinum (90%)	**Jan 1, 2014**
Premium assistance	– Varying premium assistance will be available for individuals when cost of health insurance premium exceeds certain percentages of income.	**Jan 1, 2014**

Insurance Exchange Provisions		
Individual responsibility	Most individuals will be required to obtain health insurance coverage. – Tax penalties for those who do no comply – Exceptions 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% of poverty (plus additional 5% "income disregard") for all non-elderly individuals. – Federal match funds (FMAP) will provide 100% of funding for expanded populations from 2014 through 2016, then phase down to 90% by 2020 – Newly eligible Medicaid enrollees **will not receive regular Medicaid benefits.** Benefits will more closely resemble benefits 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.	
Primary care provider rates	Primary care providers will receive Medicaid payment rates increased to 100% of Medicare rates for 2013 and 2014. – 100% federal match 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** in for non-elderly adults. Currently, IMDs for adults ages 22-64 are not eligible for federal Medicaid match funds. – Three-year demonstration project in up to eight states	**Oct 1, 2010** (tentative)
State option: 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%) match available in 2014	**April 1, 2010**
State option: 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 upon state eligibility determinations.	**Jan 1, 2014**
State option: Medicaid "Health Home"	New Medicaid state plan option to allow enrollees with at least two chronic conditions, including serious mental illness, to designate a provider (can be a community mental health center) as a "health home" to better coordinate access to primary care. – 90% federal funding for two years after state establishes option	**Jan 1, 2011**

MEDICAID		Effective date
State option: 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% of poverty who would otherwise require institutional care. – 6% federal match increase for services provided under option	**Oct 1, 2011**
State option: 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**
State option: Preventive services	State Medicaid plans that cover immunizations and federally recommended preventive services for adults with no cost-sharing will receive a 1% 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% 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.	
OTHER BENEFITS		Effective date
Enrollment assistance	States must create websites that enable individuals to apply or renew for Medicaid, 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**
Medicaid and CHIP Outreach	States must conduct outreach to enroll vulnerable and underserved populations in Medicaid and CHIP. – Vulnerable populations includes children with special health care needs and individuals 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% increase in CHIP match rate beginning Oct 1, 2016 through 2019	
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**

OTHER BENEFITS		Effective date
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.	
Comparative effectiveness research	New independent Patient-Centered Outcomes Research Institute to prioritize and fund research on the comparative effectiveness of health care interventions.	
Cures Acceleration Network (CAN)	New National Institute of Health (NIH) program to fund research designed to speed development of high-need medical cures.	
Federal grants: 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	
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.	
Federal grants: Centers of Excellence on Depression	The Substance Abuse and Mental Health Services Administration (SAMHSA) will issue grants to develop innovative interventions for depression.	

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