The Affordable Care Act

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The Affordable Care Act

We are Going to Talk About Today

- What the Act offers for families with children or young adults with behavioral health needs.
- Challenges for states in implementing the Act.
- How you can help healthcare reform succeed for families with children or young adults with behavioral health needs.
- What states are doing to implement health care reform.
What to Expect From the Affordable Care Act

America has 50.7 million uninsured people. How will the Act affect this?

• Coverage for an additional 41 million people:
  - 16 million through CHIP and Medicaid expansions
  - 25 million through Health Exchanges.

  Congressional Budget Office, 2010

• More affordable health insurance coverage for individuals with incomes up to 400% of poverty and for small businesses.
What to Expect From the Affordable Care Act

• Increased access to mental health and addiction services for the one in five Americans that live with a mental illness.

• Expanded coverage through public and private insurance for mental health and addiction treatment (parity).

• More innovative, comprehensive care programs.
Then, Why the Controversy?

• Political Divides:
  – Individual Mandate to buy insurance
  – Expansion of the government role in health care
  – Limits on insurance company practices and profits
  – Cost of programs to help needy individuals and families

• Economics:
  – States are in hard economic times
  – Some businesses do not want the cost of providing health insurance
How Are These Concerns Being Expressed?

• Repeal of the Affordable Care Act by the US House of Representatives on a largely party vote.

• Withholding funds to implement provisions of the Act.

• Messages about health care reform:
  – Don’t need it because the US already has the best health care system in the world
  – It will “Bust the budget”
  – A government takeover of health care
  – The American people don’t want it
  – It’s bad for business
Are These Messages Accurate?

It is not for us to decide, but here are some things to consider....
Per-Capita Health Expenditures

Japan  $2,578

Britain  2,760

Germany  3,371

Canada  3,678

United States  6,714

Source: Alliance for Health Reform, Organization for Economic Co-operation and Development, Commonwealth Fund
Percent of Employers Providing Health Care Coverage for Employees

2000: 69%
2009: 60%

Source: Kaiser Family Foundation
Comparison of Health Insurance Premiums to Average Wage Increases & Inflation Since 1999

Insurance Premiums: 131%
Average Wage Increases: 38%
Inflation: 28%

Source: Kaiser Family Foundation
Preventable Deaths Per 100,000 Population

Japan: 71
Canada: 77
Germany: 90
Britain: 103
United States: 110

Source: Alliance for Health Reform, Organization for Economic Co-operation and Development, Commonwealth Fund
Infant Deaths per 1,000 Live Births

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<tr>
<th>Country</th>
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Source: Alliance for Health Reform, Organization for Economic Co-operation and Development, Commonwealth Fund
Will Healthcare Reform “Bust the Budget”?  

• Repeal of the Act will increase the federal budget deficit:  
  - By $230 billion from 2012 to 2021  
  - By an amount around one-half percent of the Gross Domestic Product, or about $1.2 trillion in the decade after 2019.  
  - Leave 32 million or more Americans uninsured.  

Congressional Budget Office, January 6, 2011

Is There Public Support for the Act?  

• The U.S. population is evenly divided on keeping or expanding, or repealing the law.  
• Of those who want repeal, 70+ % want to keep five of six parts of the Act and only want to repeal the mandate to buy insurance.  

Is This a Government Takeover?

• Insurance and health care will continue to be provided through the private sector.

• Little change for people who have private health insurance already.

Will There be Costs to Businesses? Some, but…

• The responsibility for individuals and businesses to have insurance makes health care more affordable for everyone.

• Health insurance premiums no longer will bear costs for health care for uninsured individuals.
Our Take Home Messages

If we want healthcare reform to succeed...

EDUCATE

• Educate yourself and others – Know the opportunities for families in the Act and spread the word.

• Publicize the stories of families who have benefited already to legislators, newsgroups, and policymakers.

• Counter controversial messages with facts and stories to legislators, news media, and community groups.
Our Take Home Messages

If we want healthcare reform to succeed…

PARTICIPATE

• Find out what your state is doing and how decisions on the design of health care reform are being made.
  
  – [Http://www.ncsl.org/?TabId=21448](http://www.ncsl.org/?TabId=21448)
  – [71835report.pdf](71835report.pdf)

• Work in coalitions with other organizations to have a broader impact.

• Grab a seat at the state tables where decisions are being made.
Our Take Home Messages

If we want healthcare reform to succeed…

ADVOCATE

• With legislators and executive branch agencies in your states to make provisions that will better serve children with behavioral health needs.

• With the US Congress to keep health care reform and to fund its innovations.
We are Going to Talk About Three Primary Sections of the Act

• General Provisions of the Act that affect child and family behavioral health services

• Health Insurance Exchanges

• Expansion of Medicaid and CHIP Reauthorization
General Provisions of the Affordable Care Act
Complexities of the Affordable Health Care Act
Provisions of the Act Are Already Helping Families

Starting 2010:

• Temporary High Risk Pools.

• No more denials of insurance for children under age 18 because of pre-existing conditions. Extends to adults January 1, 2014.

• Coverage for young adults to age 26 on parents’ insurance policies.

• Coverage for preventive care without co-pays.
Provisions of the Act Are Already Helping Families

Starting 2010:

• Grants to start Maternal, Infant, and Early Childhood Home Visiting Programs. $88 million in 2010 and $1.5 billion over five years.

• Beginning of the elimination of annual and lifetime limits on benefits.

• Small business tax credits to offer insurance.
Provisions of the Act Are Already Helping Families

Starting 2011:

- Private insurance companies must spend at least 80% of premium collections on providing actual health care.

- Option for states to enroll Medicaid beneficiaries with chronic disabilities into Health Homes.

- New Community First Choice Option for Medicaid. (Provides attendant supports and services)
Provisions in the Affordable Care Act

Starting 2013:

• Public Health Insurance Option is established for states to offer non-profit, member-administered Consumer Operated and Oriented Plan (CO-OP) programs to offer high quality and affordable care.
Provisions in the Affordable Care Act

Starting 2014:

• Young Adults Previously In Foster Care will qualify for Medicaid and EPSDT to age 25.

• Full implementation of the prohibitions of annual and lifetime limits on covered benefits in health plans.
Provisions in the Affordable Care Act

Starting 2014:

- Individual Responsibility – Individuals are required to maintain health insurance for themselves and applicable dependents after 2013 or pay a tax penalty.

- Small business tax credits for offering employees health insurance increase to 50% of employer contributions.

- Large businesses must provide employees with health insurance or pay penalties.
State Implementation Challenges and Advocacy Opportunities

• Maximize access to individual and group health care plans with a wide range of benefit options:
  – Ensure parity for behavioral health services.
  – Ensure transparency in price and coverage information.
  – Ensure market plan premiums are in line with Exchange plan premiums.

• Ensure an impartial appeals processes.

• Develop electronic data, reporting requirements and review mechanisms for insurance plan accountability.
State Implementation Challenges and Advocacy Opportunities

• Implement options that limit state general fund expenditures on health care.

• Ensure young adults exiting foster care receive the full complement of medically necessary Medicaid child and adult plan and EPSDT services.

• Choose to innovate with Consumer Operated and Oriented Plans for providing a full range of behavioral health services.
State Examples

Administrative Mechanisms:

• 5 States have passed legislation to implement all or some of the ACA provisions.
  – California, Maryland, Massachusetts, Ne Hampshire, and North Carolina

• 26 States have set up Commissions to plan for health care reform.
  – Virginia: Virginia Health Reform Initiative Council and six Task Forces.
  – Michigan and Texas have similar arrangements

• Several states have set up websites with information for the public on the ACA, including
  – Alabama, Alaska, Illinois and Michigan
State Examples

Involving Consumers:

• South Carolina is working with two organizations to engage non-profit stakeholders in the design and implementation of its plan.

• Colorado and Maryland are two states with health care task forces that have held public hearings to gain consumer input on their interim reports.

• Several states are using their websites for both consumer information and dialogue, including Colorado, Maryland, Minnesota, Oregon and Washington.
Health Insurance Exchanges
Health Insurance Exchanges

• An Exchange is a governmental agency or nonprofit entity established by a state to offer an array of qualified health insurance plans for purchase by individuals and businesses. Exchanges must be in place by Jan. 1, 2014.

• States have wide discretion in setting the standards, requirements, and rates for plans offered in the Exchange.

Opportunity: Get involved in your state’s planning to ensure quality, affordable plans with sufficient behavioral health services coverage.
Health Insurance Exchanges: Time Line

Fall 2010:

• HHS Secretary awards first grants to states to plan for Exchanges.

Fall 2011:

• HHS Secretary will likely establish “benchmark” standards for Exchanges.

By 2013:

• HHS Secretary will determine if a state will not have an operational Exchange by 2014.
Health Insurance Exchanges

Eligibility for Participation in Exchanges:

• U.S. citizens and legal immigrants & individuals not incarcerated with incomes up to 400% of the Federal Poverty Level

• Small businesses

• After 2017, large employers can participate in Exchanges.
Health Insurance Exchanges

Easy Access:

• “Express Lane Eligibility” allows individuals to apply for and enroll in Medicaid, CHIP, or Exchanges.

Assistance in Enrolling:

• Exchanges are required to have mechanisms to assist individuals in filling out the applications and getting into the correct plan.
Health Insurance Exchanges

• **Opportunity:** Ensure that the application uses language that can easily be understood and can easily be filled out by young adults and individuals with limited education or language skills.

• **Opportunity:** Advocate in your state to establish a high quality Navigator Program with staff trained to effectively guide individuals and families with behavioral health needs and other disabilities to get the best plans to meet their needs.
Health Insurance Exchanges

• Exchange Health Plan Benefits Packages must offer essential benefits, including rehabilitative and habilitative services, and allows for additional mental health and addiction services.

• Exchanges will offer plans with different levels of benefits, deductables, and co-pays.
State Implementation Challenges and Advocacy Opportunities

• Decide whether to operate a state Health Exchange or leave it to the Federal Government.
• Decide on and develop a governance structure and staffing.
• Make statutory and administrative changes.
• Develop a well-designed market approach with plan choices, regulation, and oversight.
• Develop benefit and cost criteria for plans that will be part of the Health Exchange.
State Implementation Challenges and Advocacy Opportunities

- Ensure transparency in price and benefits for all plans.

- Design express-lane eligibility and navigator services that assist low-income individuals to enroll and retain coverage in options that best meet their behavioral health needs. Screen for behavioral health conditions.

- Maximize consumer choices. Decide on and shape the benefit packages at each level. (Advocates - ensure that the broadest range of behavioral health services are offered at each level).
State Implementation Challenges and Advocacy Opportunities

• Develop efficient eligibility determination and appeal processes.

• Conduct public education to inform people of their health care options, enrollment, rights, and how to appeal decisions.
State Examples

- 47 States and DC have received federal grants to plan for Health Exchanges and other health care reform implementation.

- Two states, Massachusetts and Utah already have Health Exchanges that operate on very different models.

- Massachusetts encourages Medicaid recipients to enroll in Health Exchange like plans in order to ensure continuity of care as their incomes fluctuate.
State Examples

• Wisconsin and West Virginia have been planning for exchanges well before passage of the ACA.

• Rhode Island and Massachusetts have implemented regulatory and payment reforms to control costs and ensure quality care.
Medicaid and CHIP
Medicaid and CHIP

Why Is This Expansion Important For State Behavioral Health Agencies?

• Expansion of Medicaid to 133% of poverty and increased CHIP coverage to about 6.5 million additional children is estimated to increase enrollment in the programs by 33% by 2019.

• This expansion will account for the largest reduction in uninsured populations, followed by the Health Exchanges.

• Large numbers of uninsured individuals, estimated at around 20%, have mental health or substance use problems (Kaiser Family Foundation, 2009).
Medicaid

Why Is This Expansion Important For State Behavioral Health Agencies?

• Federal Medical Assistance Percentage (FMAP) for new Medicaid enrollees increases:
  – 2014, 15, and 16  100%
  – 2017  95%
  – 2018  94%
  – 2019  93%
  – 2020 and beyond  90%

• States can reduce general fund costs for serving new enrollees with behavioral health needs.
CHIP

Starting 2010:

• States must maintain current eligibility levels for CHIP through Sept. 2019.

• States receive incentive bonuses for increasing enrollment and simplifying eligibility.

Starting 2015:

• States will receive a 23% increase in the CHIP match rate through 2019.

Opportunity: This will create a significant amount of state general funds savings that could be used to fund other behavioral health services.
Medicaid

Starting 2010:

- 1915(i) State Plan Amendment: States can amend their State Plans to offer HCBS as State Plan option benefits.
- Income eligibility is up to 150% of federal poverty level or 300% of the maximum SSI payment.
- States can do one plan amendment with several target populations.
  - Children with SED
  - Children with SED of transition age
  - Children with 2 or more hospitalizations
  - Children with SED involved with child welfare

Source: Bazelon Center: Medicaid Reforms in the Patient Protection and Affordable Care Act
Medicaid

Health Homes Starting January 1, 2011

• States can choose to enroll Medicaid beneficiaries into a Health Home through a State Plan Option.

• Health Homes can be established in community behavioral health organizations.

• Funded by increased FMAP – 90% for two years.
Opportunity

• Encourage your state to establish Health Homes in community mental health centers as a means of offering high quality physical care, behavioral health treatment, and coordinated care for individuals with serious levels of mental illness.
Medicaid

Starting 2012:


- Allows qualified pediatric providers to be paid capitated rates to provide the overall care for a child.

- Offers fiscal incentives for reducing costs of care (funding must be appropriated by Congress).

Opportunity: To demonstrate approaches to better identify and address behavioral health needs by primary care practitioners.
HEALTH PLAN

Accountable Care Organization - 5,000 (minimum) Covered Lives
State Implementation Challenges and Advocacy Opportunities

- Maximize the numbers of children and young adults enrolled in CHIP and Medicaid whose care is now paid for with state general funds.

- Offer new enrollees the full complement of State Plan behavioral health services.

- Provide access to appropriate care for new enrollees with disabilities beyond the basic benefit package.

- Choose to innovate with Medicaid demonstration projects to test new reimbursement methods that reward quality.
State Implementation Challenges and Advocacy Opportunities

• Choose to develop Medical Homes and Health Homes as innovations to reduce costs, provide comprehensive care, and incentivize positive outcomes.

• Choose to innovate with new Medicaid options such as 1915 (i), and Money Follows the Person.

• Develop electronic record, data, and interface systems to monitor provider performance and quality of care.
State Examples

• Several states have taken advantage of federal bonuses for increasing CHIP enrollment and simplifying their eligibility processes.
  – 15 states received bonuses totaling $206 million in 2010
  – Alabama and Wisconsin made the highest enrollments

• Connecticut has started enrolling 47,000 childless adults into Medicaid from state funded programs, estimating savings of $53 million in state funds by July 2011. Minnesota is starting this year.

• Washington, DC has moved 32,000 childless adults into Medicaid and New Jersey has submitted a plan to federal Medicaid (CMS) to do the same.
State Examples

- Louisiana has implemented Express-Lane eligibility for CHIP and Medicaid, enrolling 10,000 children in Medicaid in February 2010.
- Over 30 states are engaged in developing various models of Medical Homes for Medicaid and CHIP enrollees.
- Several states are engaged in efforts to improve quality of care, information technology use, innovate with payment reforms, and control costs in Medicaid, including Massachusetts, Colorado and Ohio.
Citations and Resources

This presentation utilized the following organization web-sites:

- Government Health Care Website

- National Council for Community Behavioral Healthcare
  www.TheNationalCouncil.org

- The Kaiser Family Foundation
  www.kff.org

- The Robert Wood Johnson Foundation/George Washington Univ
  www.healthreformgps.org

- The Bazelon Center for Mental Health Law
  www.bazelon.org

- The federal Centers for Medicare and Medicaid
  www.cms.gov
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