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The Affordable Care Act

National Technical Assistance Center for Children’s Mental Health, Georgetown University
The Affordable Care Act

What We are Going to Talk About Today

• Brief History of Health Care Reform in America
• General Provisions of the Act that Affect Children’s Mental Health Services
• Insurance Exchanges
  Improving Access
  Opportunities
• Expansion of Medicaid and CHIP Reauthorization
  Improving Access
  Opportunities
• New Programs and Workforce Development
Why NOW?
But why are our health care costs higher than other countries?...

...who said that?...
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

69% 2000

60% 2009

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

<table>
<thead>
<tr>
<th>Country</th>
<th>Deaths Per 100,000 Population</th>
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<tbody>
<tr>
<td>Japan</td>
<td>71</td>
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<tr>
<td>Canada</td>
<td>77</td>
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<tr>
<td>Germany</td>
<td>90</td>
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<tr>
<td>Britain</td>
<td>103</td>
</tr>
<tr>
<td>United States</td>
<td>110</td>
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Source: Alliance for Health Reform, Organization for Economic Co-operation and Development, Commonwealth Fund
Infant Deaths per 1,000 Live Births

Japan  2.8
Germany  4.1
Britain  5
Canada  5.3
United States  6.8

Source: Alliance for Health Reform, Organization for Economic Co-operation and Development, Commonwealth Fund
The Affordable Care Act
Complexities of the Affordable Health Care Act
History of Health Care Reform in America
Theodore Roosevelt (Republican) 1901-1909, was the first to enunciate health care for all Americans when he ran for the Progressive Party in 1912 (Washington Post).

Franklin Roosevelt (Democrat) 1933 -1945, unsuccessfully promoted universal health care (Washington Post).

Another attempt. In the late 1940s, President Harry S. Truman (Democrat) tried to pass a robust health care reform bill. Here, he’s speaking to the 1949 Convention of the American Federation of Labor.
Truman was unable to get his health bill passed. Scare tactics and red baiting by health insurance companies and the medical establishment turned the public against health care reform. Editorial cartoons like this one were far from subtle in trying to tie health care reform to communism.

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Dwight D. Eisenhower, (Republican) 1953-1961, initiated the federal employees health benefits program and tax breaks for employer sponsored health insurance, totaling 150 Billion (Washington Post).

Coverage for the poor and elderly. Lyndon Johnson (Democrat) signing Medicare & Medicaid as part of the Social Security Act.
Richard Nixon (Republican) 1969-1974, introduced employer based insurance and legislation.

Source: Landmark, The Inside Story of America’s New Health-Care Law and What it Means for Us All, The Staff of the Washington Post
Ronald Regan (Republican) 1981-1989, expanded Medicare and added a prescription drug benefit.
William Clinton (Democrat) 1993 -2001, launched an initiative to propose sweeping health care reform.
George Bush (Republican) 2001-2009, expanded the Medicare drug benefit

New era, same scare tactics. More recently, government efforts at expanding health coverage have been similarly equated with the bogeyman of socialism, as in this cartoon about the State Children’s Health Insurance Program.
The debate and misinformation continues in 2010
The debate and misinformation continues in 2010

"Congress would make it mandatory — absolutely require — that every five years people in Medicare have a required counseling session that will tell them how to end their life sooner."

Betsy McCaughey, chairman of the Committee to Reduce Infection Deaths
President Obama and Senator Kennedy at the Health Summit
Overview of the Affordable Care Act
Our Take Home Message

• Opportunities - The Act provides many **options** for states to improve behavioral health (MH and SA) services.

• Advocacy - To realize these opportunities, you have to grab a seat at the state table where decisions on these options will be made.
What to Expect From the Affordable Care Act

- Increased access to mental health and addictions services for the one in four Americans that live with a mental illness.
- Expanded public and private insurance coverage for mental health and addiction treatment.
- Expanded Medicaid and CHIP programs.
- Workforce improvement incentives.
We are Going to Talk About Four Primary Sections of the Act

- Health Care Provisions of the Act
- Health Exchanges
- Medicaid & CHIP
- New Programs and Workforce Provisions
Provisions of the Affordable Care Act

• **Pre-Existing Medical Conditions:** Sec. 2704: Prohibits discrimination (children – September 2010; adults - January 1, 2014).

• **Co-pays for Preventive Services:** Ends September 2010.)
Provisions of the Affordable Care Act

• Temporary High Risk Insurance Pools: Sec1101: Covers individuals with pre-existing conditions who do not have insurance (begins 2010, ends 2014).
Provisions in the Affordable Care Act

• **Health Insurance for Young Adults:** Sec. 2714: Young Adults can be covered on their parents plan to the age of 26 (September 2010).

• Sec. 2004: Young adults previously in foster care qualify for Medicaid and EPSDT to age 25 (2014).

**Opportunity:** Work with your state to ensure that young adults from foster care receive the full complement of medically necessary child and adult services, regardless of whether they are in the State Plan.

Source: Bazelon Center
Provisions in the Affordable Care Act

• **Lifetime and Annual Limits on Benefits:** Sec. 2711: Prohibits the establishment of lifetime limits on covered benefits for new or renewed group and individual health plans after September 2010.

• Phases-in prohibitions of annual limits on covered benefits in health plans (begins September 2010 and full implementation on January 1, 2014).
Opportunity

• Work with the state insurance commission or other agency that monitors health plans to ensure that parity provisions in the Affordable Care Act are followed and to provide an impartial appeals process for individuals who believe they were unfairly denied benefits.
Provisions in the Affordable Care Act

- **Public Health Insurance Options:** Sec. 1322: Establishes a state option to offer non-profit, member-administered Consumer Operated and Oriented Plan (CO-OP) programs to offer high quality and affordable care (by July 2013).
Opportunity

• For states that choose to establish a Consumer Operated and Oriented Plan program that offers small group and individual health plans, advocate for the creation of plans that provide population specific comprehensive behavioral healthcare and advocate to require all plans to provide members with the full range of behavioral health services deemed medically necessary, and not just the traditional outpatient and hospital services.
Provisions in the Affordable Care Act

• **Individual Responsibility:** Sec. 1501(5000A):
Requires individuals to maintain health insurance for themselves and applicable dependents after 2013 or pay a penalty.
Provisions in the Affordable Care Act

• **Employer Responsibility:** Sec. 1513:
  
  • Assesses employers that have more than 50 full-time employees, **do not offer health insurance**, and have at least one worker who receives a premium tax credit, $2,000 per employee, excluding the first 30 employees.

  • For employers that have more than 50 full-time employees, **offer health insurance**, and have at least one worker who receives a premium tax credit, requires a payment of the lesser of $3,000 per employee who receives premium assistance or $2,000 per full-time worker (begins Jan. 2014).
Provisions in the Affordable Care Act

• Small businesses with 25 or fewer employees can receive tax credits of up to 35% of total costs, if they cover at least 50% of the cost of health insurance for their employees (begins September 2010).
Health Insurance Exchanges
Health Insurance Exchanges

- Sec. 1311: Requires the HHS secretary to award grants to states to establish Exchanges by Jan. 1, 2014.
- Sec. 1321: Requires the HHS Secretary to establish standards for Exchanges on or before January 1, 2013.
- Requires the HHS Secretary to determine if a state will not have an operational Exchange by 2014, and allows the secretary to operate an Exchange in that state.
Health Insurance Exchanges

- **Eligibility for Participation in Exchanges:** Sec. 1312:
  - 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

- **Outreach and Enrollment Efforts:** Sec. 2201: Allows individuals to apply for and enroll in Medicaid, CHIP, or Exchanges through Web sites administered by states and using a simple two-page form (Express Lane Eligibility).

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

• **Essential Benefits Package (for Health Plans in Exchanges):** Sec. 1302: Requires all health plans in Exchanges to offer essential benefits, including rehabilitative and habilitative services, and allows for additional mental health and addiction services.

• **Opportunity:** Become a member of one of the design or implementation teams to help shape the benefit packages to ensure a broad range of behavioral health services are offered.
Health Insurance Exchanges

- **Benefit Package Levels**: Sec. 1302: Defines essential benefits and costs for health plans in the Exchanges.
- Exchange plans will provide different levels of cost-sharing:
  - Bronze (plans must pay for 60% of costs),
  - Silver (70%),
  - Gold (80%), and
  - Platinum (90%).
- **Opportunity**: Become a member of one of the design or implementation teams to help shape the benefit package for each level and ensure the broadest range of behavioral services are available at each level.
Health Insurance Exchanges

• Sec. 1333: By July 31, 2013, requires the HHS secretary to issue regulations for interstate Health Care Choice Compacts (several states), which can begin operations after 2015.

• Allows the compacts to offer qualified health plans in all associated states but requires these plans to adhere to the consumer protection and other laws of each of the states.
Health Insurance Exchanges

• **Premium**: Sec. 1401(36B): Establishes premium assistance credits for individuals and families that have incomes at or less than 400% of the federal poverty level

• **Opportunity**: Become part of the marketing team that will help as many individuals as possible enroll in the various health plans.
Health Insurance Exchanges

The federal Secretary of HHS will award grants to states to establish American Health Benefit Exchanges by Jan. 1, 2014. Funds will help pay for the design and implementation of Exchanges.

**Opportunity:** Encourage your state to apply and get involved in the grant planning
Medicaid and CHIP
Medicaid and CHIP

Why Is This Expansion Important For State Behavioral Health Agencies?

• The 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).
Federal Medical Assistance Percentage (FMAP) for New Medicaid Enrollees

- 2014, 15, and 16: 100%
- 2017: 95%
- 2018: 94%
- 2019: 93%
- 2020 and beyond: 90%
CHIP

- **Maintaining CHIP Eligibility:** States must maintain current eligibility levels for CHIP through Sept. 2019.

- October 1, 2013, 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

• **Medicaid Medical Home Pilot:** Sec 2703: Provides states the option of enrolling Medicaid beneficiaries into a health home through a State Plan option. The Medical Homes would be designed to better serve persons with chronic illnesses, serious mental illness, and/or addiction disorders. Medical Homes can be established in community behavioral health organizations (begins 2011).
Opportunity

• Encourage your state to establish Medical 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, funded by increased FMAP – 90% for two years.
Medicaid

• **Increasing Access to Home- and Community-Based Services: Sec. 2401:** Creates a new Community First Choice Option, allowing States to offer community based attendant services and supports for individuals with incomes below 150% of poverty (begins October 2011).

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

- Sec 2402: 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.
- Cannot waive state-wideness, but can target a specific population
  - 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

- **Medicaid Emergency Psychiatric Demonstration Project**: Sec. 2707: HHS will establish a 3-year, $75 million Medicaid demonstration project.

- Reimburse certain **institutions for mental disease** for services provided to Medicaid beneficiaries age 21-65 to stabilize an emergency psychiatric condition (begins October 1, 2011).
Medicaid

- **Medicaid Accountable Care Organization Pilot Program:** Sec 2706: Establishes a Pediatric Accountable Care Organization (ACO) demonstration project (Jan. 2012 – Dec. 2016).
  - 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.

**Opportunity:** To demonstrate approaches to better identify and address behavioral health needs by primary care practitioners.
Medicaid and CHIP

- **Payments to primary care physicians:**
  
  Medicaid payment rates to primary care physicians for primary care services be no less than 100% of Medicare payment rates in 2013 and 2014.

- Provides a 100% federal match for meeting this requirement.

**Opportunity:** To work with primary care practitioners to do behavioral health screens and referrals.
Money Follows the Person

- $2.25 billion in grants to extend the Money Follows the Person Rebalancing Demonstration to more states.
- Under the MFP demonstration, states will receive an enhanced Federal Medical Assistance Percentage (FMAP) for a one-year period for each individual they transition from an institution to a qualified home and community-based program.
- The extension of the MFP Demonstration program goes through 2016.
New Programs Opportunities

- **Co-Location of Primary and Specialty Care in Community-Based Behavioral Health Settings:**
  Sec. 5604: Authorizes $50 million in grants for coordinated and integrated services for adults through the co-location of primary and specialty care in community-based mental and behavioral health settings.

**Opportunity:** To develop a public health approach to services for transition age young adults.
New Programs and Workforce Development
New Programs Opportunities

- **Sec. 4001**: National Prevention, Health Promotion and Public Health Council
- **Sec. 4002**: Prevention and Public Health Fund
  - $500 million in 2010, increasing to $2 billion by 2015
- **Sec. 4101**: School Based Health Clinics
- **Sec. 4108**: Incentives for Prevention of Chronic Diseases in Medicaid
- **Sec. 4201**: Community Transformation Grants
- Maternal and Child Health Early Childhood Visitation Program
Workforce Opportunities

• **Training for Behavioral Health Professionals:**
  Sec. 5306-756: Allows the HHS secretary to award grants to schools for the development, expansion, or improvement of training programs in social work, graduate psychology programs, professional training in child and adolescent mental health, and pre-service or in-service training to paraprofessionals in child and adolescent mental health (funding from 2010 to 2013).
Workforce Opportunities

- **Loan Repayment for Pediatric Behavioral Health Specialists in Underserved Areas:** Sec. 5203: Establishes and authorizes funds for a Pediatric Specialty Loan Repayment Program for individuals who are employed in health professional shortage or medically underserved areas for at least two years and provide pediatric medical subspecialty; pediatric surgical specialty; or child and adolescent mental and behavioral health services, which include substance abuse prevention and treatment services.
Workforce Opportunities

• **Educating Primary Care Providers About Behavioral Health:** Sec. 5405: Establishes and authorizes funds for a Primary Care Extension Program to educate primary care providers about preventive medicine; chronic disease management; mental and behavioral health services, which include substance abuse prevention and treatment services; and evidence-based and evidence-informed therapies and techniques.
Workforce Opportunities

- **Community Health Workforce Grants**: Sec. 5313: Authorizes grants to eligible entities to promote positive health behaviors and outcomes for populations in medically underserved communities through the use of community health workers.
Workforce Opportunities

- **Maternal, Infant, and Early Childhood Home Visiting Program:** Supports evidence-based home visiting programs focused on improving the wellbeing of families with young children (Begins August 2010).

- Nurses, social workers, or other professionals meet with at-risk families in their homes, evaluate the families’ circumstances, and connect families to services such as health care, developmental services for children, early education, parenting skills, child abuse prevention, and nutrition education or assistance (HHS, July 21, 2010).

**Opportunity:** Shape programs to include behavioral health screenings and interventions.
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
  www.rwjf.org

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

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

• The Washington Post www.washingtonpost.com
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