



Health Care Reform Basics

How health care reform helps people 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.

Key Provisions in the Patient Protection and Affordable Care Act

PATIENT PROTECTIONS IN PRIVATE INSURANCE		Effective date
Pre-existing medical conditions	<p>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.</p> <ul style="list-style-type: none"> – Effective Sept 23, 2010 or earlier for children under 19 	Jan 1, 2014
Extension of dependent coverage	<p>Allows young adults to remain on their parents' or guardians' health plan to age 26.</p> <ul style="list-style-type: none"> – 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
Annual limits	Prohibits annual limits for group plans and new plans in the individual market.	Jan 1, 2014

PATIENT PROTECTIONS IN PRIVATE INSURANCE		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 ban on pre-existing conditions goes into effect. <ul style="list-style-type: none"> – 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
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
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. <ul style="list-style-type: none"> – 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: <ul style="list-style-type: none"> – 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	<ul style="list-style-type: none"> – 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. <ul style="list-style-type: none"> – Tax penalties for those who do not comply – Exceptions for financial hardship and religious objections 	Jan 1, 2014

MEDICAID		Effective date
Expanded coverage through Medicaid	<p>States will be required to expand Medicaid eligibility up to 133% of poverty (plus additional 5% "income disregard") for all non-elderly individuals.</p> <ul style="list-style-type: none"> – 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.	
MEDICARE		Effective date
Medicare Part D relief	<p>\$250 rebate available for Medicare Part D enrollees who reach the prescription drug coverage gap known as the "donut hole."</p> <ul style="list-style-type: none"> – 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	<p>States must create websites that enable individuals to apply or renew for Medicaid, CHIP or Exchange coverage.</p> <ul style="list-style-type: none"> – 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.	Effective tax year 2010
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
Centers of Excellence on Depression	The Substance Abuse and Mental Health Services Administration (SAMHSA) will issue grants to develop innovative interventions for depression.	
Comparative effectiveness research	New independent Patient-Centered Outcomes Research Institute to prioritize and fund research on the comparative effectiveness of health care interventions.	