National Technical Assistance Center for Children's Mental Health

GEORGETOWN UNIVERSITY CENTER FOR CHILD AND HUMAN DEVELOPMENT

The Affordable Care Act

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Why Health Care reform?

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The Affordable Care Act

We are Going to Talk About Today

- What the Act offers for families with children or adults who have behavioral health, intellectual and developmental disabilities.
- Challenges for states in implementing the Act.
- How you can help healthcare reform succeed for families with children or adults with disabilities.
- What states are doing to implement health care reform.

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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

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What to Expect From the Affordable Care Act

- Increased access to a broad range of mental health, addiction, and disability specific services for the one in five Americans that live with a mental illness and the 1 -3% that live with an intellectual disability.
- More affordable heath insurance coverage for individuals and families with incomes up to 400% of poverty(Up to $43,320 for individuals and $88,200 for a family of four) and for small businesses.

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Will Healthcare Reform "Bust the Budget"?

- According to the Congressional Budget Office, 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.

- Repeal of the Act will leave 32 million or more Americans uninsured.

Congressional Budget Office, January. 6, 2011

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Is There Public Support for the Act?

- The U.S. population is evenly divided on keeping or expanding, or repealing the law.
- 52% of Americans say they are confused about what the Act does.
- 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.

Kaiser Family Foundation Poll, March 18, 2011.

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Is This a Government Takeover?

- In US, 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.

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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.

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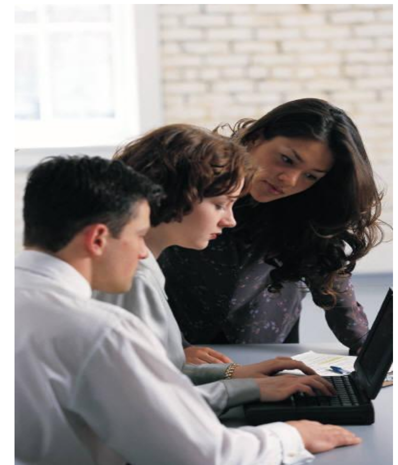
Our Take Home Messages

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
  - 71835report.pdf
  - http://www.statereforum.org/
  - Http://www.namd.org



- Work in coalitions with other organizations to have a broader impact.
- Grab a seat at the state tables where decisions are being made.

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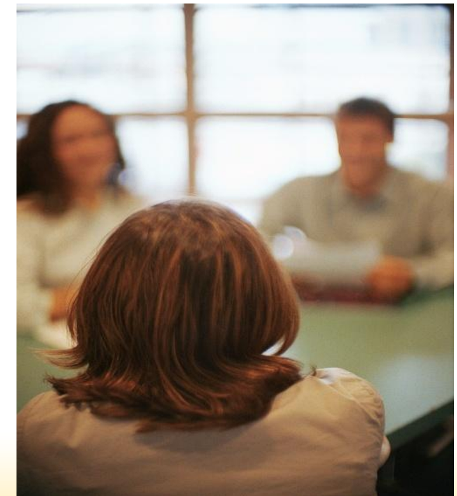
Our Take Home Messages

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.



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We are Going to Talk About Three Primary Sections of the Act

- General Provisions of the Act that affect child and family behavioral health and developmental disability services
- Health Insurance Exchanges
- Expansion of Medicaid and Reauthorization of CHIP

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General Provisions of the Affordable Care Act

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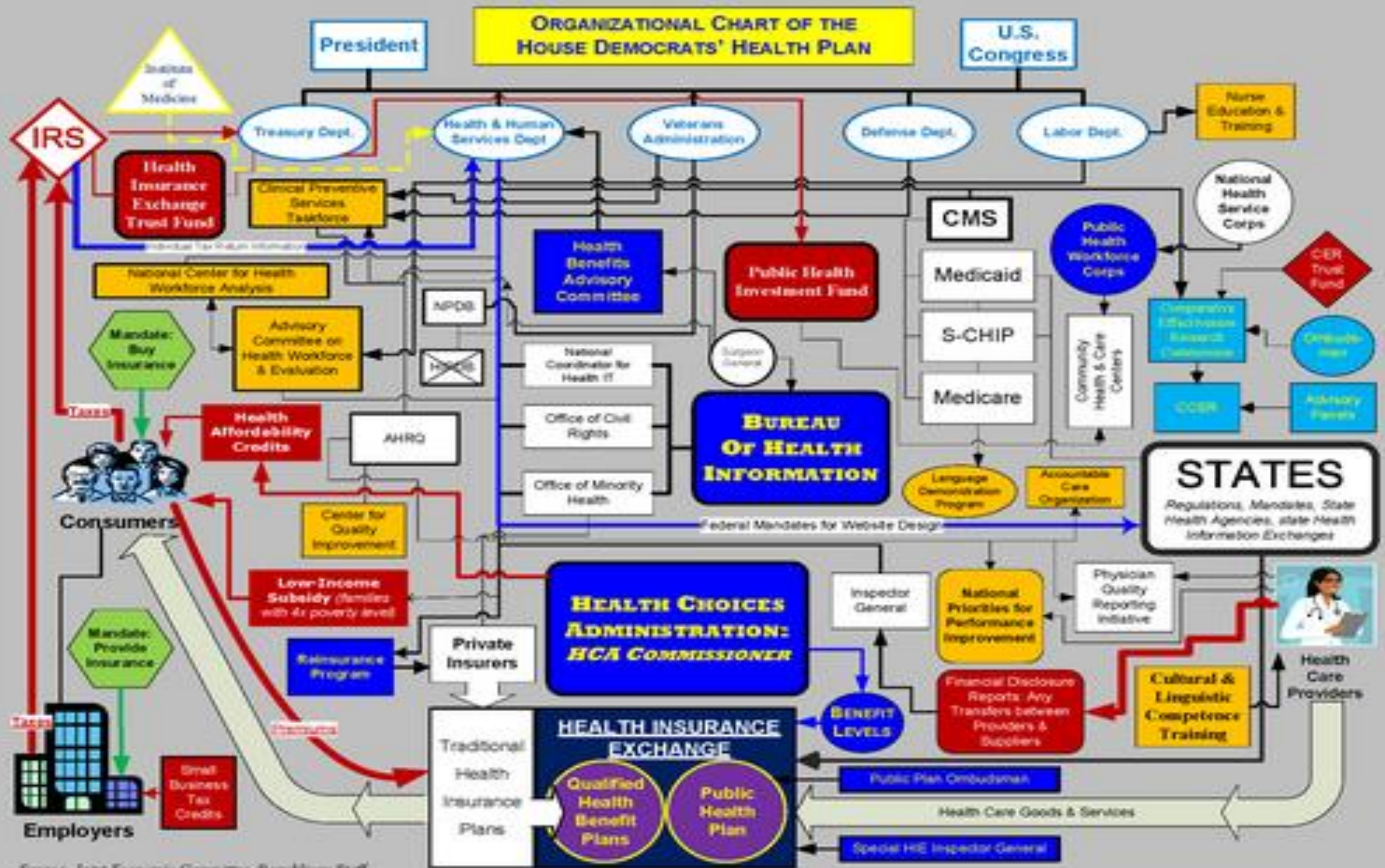
Complexities of the Affordable Health Care Act



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Provisions of the Act Are Already Helping Families

Starting 2010:

- Temporary High Risk Pools.
- No more denials of insurance for children under age 19 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.

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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.

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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.”

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Provisions in the Affordable Care Act

Starting 2013:

- Likely start of Community Living Assistance Services and Support (CLASS) enrollment.
- 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.

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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.

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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.

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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.
- Adopt, support and publicize CLASS and the administrative changes to mesh operations seamlessly with Medicaid.

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Health Insurance Exchanges

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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 and developmental disability services coverage.

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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.

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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 (FPL)
- Small businesses
- After 2017, large employers can participate in Exchanges.

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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.

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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 developmental disabilities to get the best plans to meet their needs.

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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, deductibles, and co-pays.

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State Implementation Challenges and Advocacy Opportunities

- Decide whether to operate a state Health Exchange or leave it to the Federal Government.
- 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.

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State Implementation Challenges and Advocacy Opportunities

- 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 and developmental disability needs.

- Maximize consumer choices. Decide on and shape the benefit packages at each level. (Advocates – fight to ensure that the broadest range of behavioral health and developmental disability services are offered at each level).

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State Implementation Challenges and Advocacy Opportunities

- Ensure transparency in price and benefits for all plans.
- 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.

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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 and disability 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.

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Medicaid and CHIP

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Medicaid and CHIP

Why Is This Expansion Important For Behavioral Health and Developmental Disability 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.
- Medicaid and CHIP expansion will account for the second largest reduction in uninsured populations, behind the Health Exchanges.
- Large numbers of uninsured individuals, estimated at around 20%, have mental health or substance use problems. (Kaiser Family Foundation, 2009).

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Medicaid

Why Is This Expansion Important For Behavioral Health and Developmental Disability Agencies?

- Federal Medical Assistance Percentage (FMAP) for new eligible populations (incomes of 100% – 133% of poverty) increases:
  - 2014,15, and 16 — 100%
  - 2017 — 95%
  - 2018 — 94%
  - 2019 — 93%
  - 2020 and beyond — 90%

- States can reduce their general fund costs for serving newly eligible populations.

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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 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.

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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 or young adults with SED
  - Children with specific developmental diagnoses
  - Children or adults with 2 or more institutional placements

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

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Money Follows the Person

Starting 2010:

- $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.

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Medicaid

Starting October 2011:

- **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.

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Medicaid

Health Homes Starting January 1, 2011

- States can choose to enroll Medicaid beneficiaries with chronic conditions into a Health Home through a State Plan Option.

- Health Homes can be established in community behavioral health or developmental disability organizations.

- Funded by increased FMAP - 90% for certain services for two years.

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Opportunity

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

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Medicaid

Starting 2012:

- 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 (funding must be appropriated by Congress).

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

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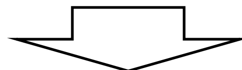
HEALTH PLAN



Accountable Care Organization - 5,000 (minimum) Covered Lives

Clinic

Clinic

Mental Health Health Home

Clinic

(Health) Home Primary Care

Hospital

Child Welfare

Juvenile Justice

Education

Homeless Families

Residential Treatment

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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.
- Provide new enrollees access to the full complement of State Plan behavioral health and developmental disability services, beyond the required basic benefit package.
- Choose to innovate with Medicaid demonstration projects to test new reimbursement methods that reward quality.

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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.

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Citations and Resources

This presentation utilized the following organization web-sites:

- Government Health Care Website
  www.HealthCare.Gov
- National Council for Community Behavioral Healthcare
  www.TheNationalCouncil.org
- The Arc www.thearc.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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