Impact of the Patient Protection and Affordable Care Act on Substance Abuse

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Opportunity

- Addiction is a *treatable* chronic health condition
- Inclusion of SUD (substance use disorders) services and providers
- Expansion of SUD coverage
Overview: Affordable Care Act (ACA)

- Private Health Insurance Reforms
- Health Insurance Exchanges
- Essential Health Benefits
- MH and SUD Parity
- Medicaid Expansion
- Health Promotion & Prevention
Private Health Insurance Reforms

- Coverage for dependents through age 26 (effective September 2010)
- Prohibiting Denying Coverage of Children Based on Pre-Existing Conditions (effective September 2010)
- Prohibiting Discrimination Due to Pre-Existing Conditions or Gender (effective January 2014)
- Operational Exchange in all States (effective January 2014)
Health Insurance Exchanges

- By November 16th, States must submit their intent for a:
  - State-Based Exchange
  - Partnership Exchange
  - Federal Exchange

- HHS must approve or conditionally approve by January 1, 2013

- Purchasing Coverage
  - Premium and cost-sharing credits
  - Between 100% and 400% of FPL
Essential Health Benefits: What Should be Covered

- Essential Health Benefits (EHB) applies to non-grandfathered plans in the individual and small group markets both inside and outside the Exchanges in 2014.

- 10 required Essential Health Benefit Categories.
10 Essential Health Benefit Categories

- Ambulatory Services
- Emergency Services
- Preventative & Wellness Services & Chronic Disease Management
- Mental Health and Substance Use Disorder Services
- Maternity and Newborn Care
- Prescription Drugs
- Hospitalization
- Laboratory Services
- Pediatric Services
- Rehabilitative and Habilitative Services and Devices
State Options for EHB

- States can “benchmark” to one of ten options:
  - The largest plan in any of the three largest products in sm group market
  - One of the three largest FEHB plans
  - One of the three largest State-employee plans
  - The largest HMO in the State

- Deadline for EHB benchmark plan decision is September 30th, 2012

- Largest plan in largest product is the default plan
Mental Health Parity and Addiction Equity Act

- Under ACA, Mental Health Parity and Addiction Equity Act (MHPAEA) is expanded to cover:
  - Benefits provided in the new “exchanges”
  - Benefits provided by “new” small group & individual plans
  - Benefits provided to the new Medicaid population
Parity Implementation

- The Interim Final Regulations went into effect on January 1, 2011
- Full federal implementation and enforcement is lagging
- DOL & HHS Secretaries have promised final regulations, but release is not expected until after 11/12/12
Medicaid Expansion

- State option to expand Medicaid to individuals with incomes up to 133% (138%) of the federal poverty level (FPL)

- States that expand, must provide benefits to the newly-eligible adults through a benchmark structure (includes mental health and addiction at parity)

- Updates to the Medicaid Program, including moving to uniform income methodology – Modified Adjusted Gross Income (MAGI)
Health Promotion & Prevention

- Coverage of Preventive Health Services in Medicare, Medicaid, and Private Insurance with no co-pay
- Included in Essential Health Benefits
- National Prevention and Health Promotion Strategy
  - Priorities include Preventing Drug Abuse and Excessive Alcohol Use; Tobacco Free Living; Mental and Emotional Wellbeing
- Prevention and Public Health Fund
  - $88 million allocated to SAMHSA in FY 2011 and 2012
Three State Study: State-Level Health Reform

<table>
<thead>
<tr>
<th>State</th>
<th>Change: Percent of Uninsured</th>
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<tbody>
<tr>
<td>Maine</td>
<td>2002: 13% to 2007: 10.3%</td>
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<tr>
<td>Vermont</td>
<td>2006: 9.8% to 2009: 7.6%</td>
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<tr>
<td>Massachusetts</td>
<td>2004: 11.7% to 2009: 2.6%</td>
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</tbody>
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Three State Study: Findings

- Substance Abuse Treatment Admissions Rose
- Public funding increased
  - Medicaid expansions appear more significant than subsidized/private health plans (need to analyze claims)
- Many uninsured due to “gaps” in coverage
  - Non-completion of re-enrollment forms (Medicaid)
  - Non-payment of premiums (private insurance)
  - May correspond with the client’s increased alcohol/drug use
  - Incarceration
Recommended Sources

- NASADAD: [http://nasadad.org/healthcare-reform-information](http://nasadad.org/healthcare-reform-information)
- State Refor(u)m: [http://www.statereforum.org/](http://www.statereforum.org/)
- Coalition for Whole Health: [http://www.coalitionforwholehealth.org/](http://www.coalitionforwholehealth.org/)
- National Association of Medicaid Directors (NAMD): [http://medicaiddirectors.org](http://medicaiddirectors.org)
Thank You

Questions?

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