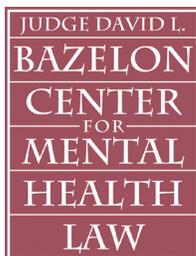


If I have a psychiatric disability

Will Health Reform Help Me?



Civil Rights and Human Dignity

For consumers of mental health services, a review of the bills passed by Congress in 2009

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If I Have a Psychiatric Disability

Will Health Reform Help Me?

Congress has been debating legislation that could make major changes in health insurance and the health care system. Many parts of this law would improve access to mental health services. This fact sheet describes some of the changes the law could make in care and treatment for people with psychiatric disabilities.

The biggest change would be for people who are uninsured now. They include people who have no health insurance through their employer, who have not purchased their own policy, who are not veterans using the VA system and who are not on Medicaid or Medicare. Health reform would make it easier for them to get insurance and make insurance more affordable.

Each house of Congress has passed its own bill, one by the House of Representatives and one by the Senate. If either one, or a combination of the two, is passed by both houses and becomes law, here are some of the ways it would affect you.

✓ **Health reform would enable most people who are now uninsured to get insurance.**

This does not mean that everyone will have to buy insurance. People whose income is below a certain level would be able to sign up for Medicaid. Others with income above that level but below another, higher limit would get financial aid to help pay for private insurance. *Nothing would make people lose the health care coverage they have now.*

Both of the bills would require or encourage employers (except small businesses) to provide insurance. The House bill would penalize medium and large employers that do not offer insurance. The Senate bill would require these employers either to provide insurance or to help pay for insurance that workers buy on their own.

✓ **Will you be forced to buy health insurance?**

Starting in 2013 (the House bill) or 2014 (the Senate bill), everyone would be required to have health insurance, just as car owners must now have automobile insurance. However, the bills make this easy. Some people could sign up for Medicaid and others would get financial assistance to buy insurance for themselves. If you still could not afford it, even with a government subsidy, you would not be forced to purchase any insurance.

Health insurance would be more available and affordable for people with mental illnesses.

Currently, many people with mental illnesses find that insurance companies refuse to sell them a policy or renew their policy, or refuse to pay for mental health treatment, or limit the length of treatment. Both of the bills address these problems. As a result, health reform would improve your access to health and mental health care. Under these bills:

- ◆ Health insurers would have to sell and renew policies to everyone who applies.
- ◆ Insurers could not deny coverage because the person has a pre-existing health or mental health condition.
- ◆ No health plan could have a lifetime or annual limit on benefits.
- ◆ Insurers could not charge people with poor health more than others. Premiums (the amount you pay to have insurance) would be more equal.
- ◆ Health insurers could not discriminate based on a person's mental or physical disability.

The bills would phase in these new requirements. Many of the changes would take effect as early as 2010 if reform is passed.

✓ **Health insurance policies would have lower out-of-pocket costs.**

When insurance policies do cover mental health services, they are often extremely expensive. The bills limit how much an individual or family must pay to buy insurance (the premium) and how much

they will pay in deductibles and co-payments. The House bill is more generous than the Senate version.

✓ **All people below a certain income level will be eligible for Medicaid.**

Medicaid is a program for people with low incomes. It covers many community mental health services that can aid in recovery, with a package of services much broader than most private insurance plans. As a result, Medicaid coverage is often better than private insurance for people with psychiatric disabilities.

Under both House and Senate health reform plans, adults would be eligible based only on their income. They would not have to meet other eligibility criteria. This means that, for the first time, low-income, single adults without children would have access to Medicaid. This group includes many people with serious mental illnesses.

Medicaid changes are different in the House and Senate bills.

- ◆ Starting in 2013, the House bill would provide Medicaid eligibility for everyone with an income below 150% of the federal poverty level (in 2009, \$16,200 for individuals and \$33,100 for a family of four).
- ◆ Starting in 2014, the Senate bill would provide Medicaid eligibility for everyone with an income below 133% of poverty (in 2009, \$14,400 for individuals and \$29,300 for a family of four).

Expanding Medicaid this way would be very helpful, especially to single childless adults with psychiatric illnesses. Now, most of these adults qualify for Medicaid only if they receive federal Supplemental Security Income (SSI) disability benefits. However, many individuals with psychiatric disabilities do not get SSI either because the rules are so strict or because they choose not to apply.

✓ **Medicaid benefits differ in the House and Senate bills.**

The House bill ensures that everyone on Medicaid would have the same benefits as under the current Medicaid program. The Senate

bill would give children and families full Medicaid coverage. However, childless adults with incomes between 100% and 133% of poverty would have a lower benefit unless they qualify for Medicaid due to a mental or physical disability.

The newly eligible childless adults who have this limited benefit would have coverage for inpatient and outpatient mental health treatment, but probably not for rehabilitation and recovery-focused services.

✓ **You would have choices of insurance.**

To enable both individuals and employers to compare plans and purchase health insurance, the bills would create new entities called Exchanges. All plans offered through the Exchanges would have to cover at least a minimum range of services. This minimum includes mental health and addiction services, which must be provided at parity with medical and surgical coverage (with no differences in coverage). Plans must also cover hospitalization, emergency department services, outpatient services, prescription drugs and preventive services.

These changes would be valuable because, for the first time, you could be sure that any health plan you purchase will cover mental health and substance abuse services in the same way as medical/surgical services. All plans could be expected to offer medications, therapy and inpatient hospital care. But it is unlikely that they would cover rehabilitation and other recovery-oriented services.

✓ **Plans would have different levels of cost-sharing.**

Each Exchange would offer a choice of plans. All the plans must have the same benefits, but they might differ in the amount they charge for premiums, deductibles or co-payments. You would be able to choose the health plan that best suits your needs, based on the level of out-of-pocket payments you feel able to make and the premiums you are willing to pay.

✓ **Help would be available.**

Choosing health insurance can be confusing. Both bills provide for help in this process. The Exchanges will provide information and

assistance to help you compare plans before choosing. This will include information on benefits, premiums, cost-sharing, quality, provider networks and consumer satisfaction with each plan. The information must be in non-technical language that is easy to understand.

Additional assistance will be available, such as through toll-free phone lines and a website. The House bill would require each Exchange to reach out to people with physical disabilities, mental illnesses or cognitive impairments to help them make a choice. Both bills would create “navigators” to help consumers with their questions and issues.

✓ **Assistance would be available for people who believe their rights are violated.**

Under both bills, insurers must have grievance and appeal systems. Ombudsman programs or offices of health insurance consumer assistance would protect your rights if you have disputes with your health plan.

✓ **Prevention and wellness would be emphasized.**

The bills stress prevention by limiting or eliminating cost-sharing for prevention services, promoting increased research into effective prevention strategies and expanding prevention services. Both also promote programs to encourage healthy behavior and to help consumers give up smoking.

People with serious mental illnesses are at great risk for many preventable diseases. Services that screen for or prevent diabetes, heart disease and cancer could greatly improve their lives. But co-payments now discourage many people from getting essential preventive care. Research on effective prevention strategies is also important to learn how best to prevent and treat mental illness.

✓ **Primary care and mental health care would be offered at the same location.**

Both bills support new ways of delivering health care that could give you access to more coordinated services. The bills would create health care or medical “homes” that would address all of your health

care issues. Like “one-stop shops,” these homes would provide primary care services as well as care management, coordination and referrals to appropriate specialty services. Many would also offer basic mental health care. Community mental health centers are among the providers that could qualify to be a health care home and provide both primary care and mental health services at the same location.

These provisions acknowledge that mental and physical health are linked and that people with serious illnesses need more services and better coordination of their services to be as healthy as possible.

✓ **The quality of health and mental health care would improve.**

Both bills have provisions to improve our knowledge about what services work best for various health conditions, including mental illnesses. New research would be conducted to find better treatments, and providers of care would be encouraged to offer you the most effective services.

✓ **Medicare drug coverage would be improved.**

The bills will make prescription drugs more affordable under Medicare. Medicare Part D now requires consumers to pay the full cost of their medications after they pay a certain amount each year. This gap in coverage is known as “the doughnut hole.” Once the consumer has spent up to another, much higher level, the Medicare coverage starts up again. The House bill eliminates this gap in coverage over time, and the Senate bill provides discounts for beneficiaries who have reached the doughnut hole.

Many people with psychiatric disabilities are on Medicare because they receive Social Security Disability Insurance. Their income tends to be low and the “doughnut hole” is a serious burden for them. This change would help them.

✓ **Both bills would help people with psychiatric disabilities.**

In short, a law based on these bills would greatly benefit you by:

- ◆ Expanding your access to health insurance coverage and making it more affordable and quality-driven.
- ◆ Setting standards for health insurance policies that would protect your rights.
- ◆ Setting minimum requirements for the services your health plans must cover and including mental health and substance abuse services.
- ◆ Making changes to Medicaid and Medicare that benefit people with psychiatric disabilities.
- ◆ Encouraging better access to prevention services and improving knowledge about how to prevent illness.
- ◆ Encouraging more coordination between primary care and mental health care.
- ◆ Improving the quality of mental health treatment.
- ◆ Improving the Medicare Part D drug benefit.

Most of the provisions would be phased in over time, so the real launch for reform of the health care system would not occur until 2013 and 2014.

The bills are not yet law. Both the House and the Senate have passed their versions (H.R. 3962 & H.R. 3590) of the bill, but debate continues about whether to combine them or take another approach. People across the country are asking their Senators and Representatives to act on health care reform.

You can tell your members of Congress what provisions of the bills are important to you — and to other people with psychiatric disabilities. Only when the lawmakers finally act can health reform help you.

You can find current information about the health reform legislation at <http://www.bazelon.org/issues/healthreform/index.htm>