

Mental Health Benefits From Health Reform



Introduction

People in need of mental health treatment and services will see vast, positive changes in their access to health and behavioral health care over the next ten years as a result of the new health reform legislation.

General Provisions Affecting People with Mental Illness

While this list is by no means exhaustive, some broad provisions that will affect all Americans will benefit especially people with mental illness. For instance:

- Beginning this year, no one can be denied coverage on the basis of a pre-existing condition, such as a history of mental illness.
- In 2014, the expansion of Medicaid eligibility from a variety of different income levels depending on the state and the household and/or health status of the individual to households earning up to 133% of poverty (\$14,404 for an individual, \$29,327 for a family of 4) and the provision for tax credits for private insurance for households earning up to 400% of poverty (\$43,320 for an individual, \$88,200 for a family of four) assure that many people with mental illness either working part-time or re-entering the job market after a period of illness will have access to affordable health insurance.
- Beginning this year, the provision that children up to age 26 can remain on their parents' insurance policies means that many young adults with mental illness will no longer become immediately uninsured and uninsurable when they reach adulthood.
- Funding for patient navigation services will make more navigators available to assist people with mental illness in managing their care and obtaining it where and when they need it.

Specific Mental Health Care Benefits in the New Legislation

In addition to these general provisions, there are also numerous other provisions scattered throughout the law that will add additional benefits across the treatment spectrum. Again, this list may not cover everything in the new law.

Recognizing that post-partum depression is a significant medical issue for many women (and, as a result, their babies), the new law encourages treatment, research, and education for women with post-partum depression and psychosis. It also begins a ten-year longitudinal study to be carried out by the National Institute of Mental Health (NIMH) and establishes a Health and Human Services (HHS) study with a report in two years on the benefits of screening for post-partum conditions. The new law also adds \$3 million in funding for community programs.

The new law will make drugs, including anti-depressants, more available to people who need them. Beginning in 2014, benzodiazepines (such as xanax and valium), barbiturates, and smoking cessation drugs will no longer be excluded from Medicaid's drug lists, meaning that they must be covered in the program. This also means that Medicare Part D will be required to

cover these drug classes (it already covers smoking cessation drugs), which will benefit older adults with depression.

In addition, under the Medicaid expansion in 2014, mental health and prescription drug services are included in the basic benefits package and must be valued in the same manner as other basic benefits package provisions. This means that plans including mental health benefits under the current parity laws may be less likely to reduce other benefits provided in the plan to “make up” for this required inclusion.

Another provision of the initial health reform bill that could have lowered inpatient costs of care for people with mental illness – extending federal 340B discount pricing to inpatient drugs – was removed during reconciliation. However, the legislation that passed left intact a provision to do an 18 month study to recommend improvements in the 340B program. The 340B program makes prescription drugs more affordable for those who need them when they obtain these prescriptions through community health centers, certain nonprofit and public hospitals, and other specified safety net providers.

On the inpatient side, there is a different positive development affecting mental health treatment. As a result of the reform, in eight states adults with mental illness may no longer lose their Medicaid benefits for regular health care when they enter a behavioral health facility. The new law provides for a mandatory 3-year, 8-state demonstration project to reimburse Institutions for Mental Disease (or “IMDs,” which are inpatient and residential treatment facilities with more than 16 beds primarily treating people with mental illness and/or substance abuse) for services to adult Medicaid beneficiaries in need of medical assistance to stabilize a psychiatric emergency. Currently this reimbursement provision – which allows regular healthcare services provided to IMD inpatients to be covered by Medicaid – applies only to children, except in Arizona.

In the area of community care, at least five new programs will lead to an increase in collaboration between health and mental health providers in treating mental health and other chronic conditions, and likely lead to improved care opportunities for people living with mental illness. The new law:

- Provides grants to states to **prevent and manage chronic conditions** in the Medicaid population and explicitly includes services for co-morbidities, including depression.
- Creates new “community transformation grants,” which are competitive grants to community organizations and collaboratives for programs that **promote individual and community health and prevent or reduce the incidence of chronic diseases associated with obesity, tobacco use, or mental illness.**
- Provides for grants to educational institutions for the **development, expansion, or enhancement of training programs in social work, graduate psychology, and professional and paraprofessional pre-service or in-service training in child and adolescent mental health.**

- Creates a **primary care extension program**, with planning and program grants to state hubs providing training to primary care providers about evidence-based therapies in preventive medicine, health promotion, chronic disease management, and mental health.
- Authorizes \$50 million in grants for **coordinated and integrated services through the co-location of primary and specialty care** in community-based mental and behavioral health settings.

Conclusion

These are just some of the changes in our mental health care financing and delivery system that will affect people living with mental illness. Together, they point toward better access to higher quality, better coordinated, person-centered, individual-directed, closer-to-home care and support. While we will all learn more about them over time, states and communities have a rare opportunity to implement many of them during a time when the Federal Government has agreed to pay essentially 100% of the cost. Service providers and recipients will be able to focus on program and health benefits, and downstream cost-of-care savings, without having to worry about the short-term bill.

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