

The New Healthcare Law and You

How will your insurance costs change if you have a **MENTAL ILLNESS?**

The Affordable Care Act (ACA) became law in March 2010. It makes changes to the health insurance system and health insurance benefits that may affect the cost of insurance and healthcare for people with *mental illnesses* (words in italics defined at right).

The ACA sets a minimum level of benefits and maximum level of costs for all insurance plans beginning in 2014. Your insurance plan may cover more than these minimum services or costs. Contact your insurer to find out more.

The ACA requires that almost everyone have insurance beginning in 2014. If you do not have insurance and do not qualify for one of the possible exceptions, you will be fined.

DEFINITIONS

Mental illness: A medical condition that disrupts a person's thinking, feeling, mood, ability to relate to others and daily functioning. Severe mental illnesses include disorders such as major depression, schizophrenia, bipolar disorder and severe anxiety disorders.

Essential Health Benefits: A set of basic health care services where at least 60% of costs must be covered by insurance beginning in 2014. This includes emergency care, hospitalization, pregnancy and newborn care, mental health and substance use disorder services, prescription drugs and lab work, among other things.

Preventive Services: A group of healthcare services aimed at preventing or finding early mental and physical health problems. All new plans must cover 100% of the cost of these services. Many already do.

Below are examples of how these changes affect people.*



Josh, age 32
Single with a mental illness
Employment: unemployed

Income: None
Insurance: uninsured

BEGINNING IN 2014:

- Josh will get Medicaid if he makes 138% or less of the federal poverty level (in 2013, \$15,857 for one person) and his state chooses to expand Medicaid.**



Samantha, age 28
Divorced with a mental illness
Employment: employed full time

Income: \$52,000/year
Insurance: A new plan her small employer started offering in 2011.

Because Samantha's health insurance plan did not exist on March 23, 2010, all ACA rules apply to it immediately. For example, her insurer must cover 100% of the cost of *preventive services*.

BEGINNING IN 2014:

- Her plan will cover mental health services because they will be considered *essential health benefits*.
- Her out-of-pocket costs (co-pays and deductibles) for essential health benefits will be no more than \$5,950 a year.



Amanda, age 45
Single with a mental illness
Employment: works part time

Income: \$6,500/year
Insurance: Medicaid because of a disability but no Social Security disability income

BEGINNING IN 2014:

- Amanda will continue to get Medicaid.

How will your insurance costs change if you have a mental illness? (continued)



Mark, age 44

Divorced, one 15-year-old daughter with a serious emotional disorder

Employment: Works full time

Income: \$41,000/year

Insurance: None, employer does not offer it and insurers will not sell him a family plan because of his child's emotional problems

IMMEDIATE CHANGES:

- Mark can buy any family plan because insurers may no longer deny insurance to children younger than 19 with a health problem, such as a serious emotional disorder.
- Mark's child can stay on his family plan until she turns 26 even if her health improves.

BEGINNING IN 2014:

- He can buy an insurance plan directly from an insurer or through a marketplace. Marketplaces will be online places where anyone can easily compare and buy insurance. If he chooses to buy on a marketplace, Mark will get a subsidy.

- Mark and his daughter will spend no more than \$5,960 per year on deductibles and co-payments for essential health benefits. This annual limit on out-of-pocket costs varies based on whether a person has a family or individual plan, and how much their annual income is.



Luke and Katie, ages 35 and 32

Married, one child; Luke has a mental illness

Employment: Katie is employed; Luke is currently unemployed

Income: \$30,000/year

Insurance: None. Katie's employer does not offer it; insurers will not sell them a family plan because of Luke's mental illness

IMMEDIATE CHANGES:

- Luke can buy insurance through the new Pre-Existing Condition Insurance Plan (PCIP) because he has been denied insurance for six months and has a health problem. Katie and her son could apply for family insurance on their own.

BEGINNING IN 2014:

- Because Katie's employer has more than 50 full-time employees, it must offer its employees minimum insurance or it will pay a tax penalty. The minimum insurance must cover the essential health benefits, but may cover more.
- If Katie's employer does not begin to offer insurance, Luke and Katie can buy any family insurance plan because insurers will no longer be allowed to deny them a plan because of Luke's mental illness. If they choose to buy insurance on a marketplace they will get a subsidy.



Paul, age 55

Widower with a mental illness

Employment: disabled

Income: receives \$400 a month in supplemental security income (SSI)

Insurance: Medicare and Medicaid (full "dual eligible"), both by disability status; Medicare is the primary payer for care

IMMEDIATE CHANGES:

- The Medicare-Medicaid Coordination Office is working to improve and simplify healthcare coordination for dual-eligible people.
- Dual eligibles who get home or community-based care will no longer have to pay co-pays for prescription drugs.

2014 AND ON:

- Paul will continue to receive both Medicare and Medicaid.

*These are fictional examples for demonstration purposes only, based on the best information available, and still subject to some changes.

**Medicaid expansion is optional for each state.



This is part of a series about the new health care law – the Affordable Care Act.

For more information, visit reform.healthfoundation.org.



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