



MEDICAID EXPANSION: KEY DRIVER OF HEALTH INSURANCE COVERAGE FOR MENTAL ILLNESS AND SUBSTANCE USE CONDITIONS UNDER THE AFFORDABLE CARE ACT

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Introduction

Expanding health insurance coverage through the optional state Medicaid Expansion and through the mandatory state Affordable Insurance Marketplace (hereafter, State Marketplace) is a fundamental goal of the Affordable Care Act (ACA). As many as 32 million persons will become enrolled in health insurance under one of these mechanisms beginning on October 1, 2013. Our field estimates that as many as 11 million of these persons will have a mental illness or a substance use condition at the time of enrollment.

The basic health insurance benefit for the State Marketplace will be a state Essential Health Benefit (EHB). The Alternative Benefit Plan (APB), the health insurance coverage provided to the "expansion population" of adults newly eligible for Medicaid, must be equivalent to the EHB. Both the APB and the EHB must include a mental health and substance use benefit at parity with the medical/surgical benefit. Further, all small group and individual plans offered outside the State Marketplace after January 1, 2014, must meet these requirements. See *The Essential Health Benefit: Key Driver of Health Insurance Coverage for Mental Illness and Substance Use Conditions under the Affordable Care Act* for further information about the EHB.

This document describes the Medicaid Expansion and outlines steps that peers need to take to become involved and help uninsured persons become enrolled and access care.

What Is the Medicaid Expansion?

Originally intended to be mandatory, the Medicaid Expansion is now a state option as a result of the Supreme Court decision sustaining the ACA (the full text of the Supreme Court decision is available

at <http://www.supremecourt.gov/opinions/11pdf/11-393c3a2.pdf>). However, the financial benefit to states is so considerable that most are ultimately expected to take advantage of this opportunity. Fully 100 percent of the cost of the Medicaid Expansion will be paid by the federal government in 2014, 2015, and 2016, after which time the federal contribution will gradually decline to 90 percent by 2020, and then remain at that level permanently.

For example, since approximately 30 percent of the Texas population is currently uninsured, Texas can expect to receive about \$52.5 billion in federal funds by 2020 as a result of the Medicaid Expansion for a state investment of about \$2.5 billion. Estimates of financial benefit for all of states are available at <http://www.kff.org/medicaid/upload/8384.pdf>. These estimates are actually minimums, since current state expenditures on the eligible uninsured population will be replaced by these federal funds.

For states that opt to undertake the Medicaid Expansion, enrollment is slated to begin on October 1, 2013, and the system is intended to become operational on January 1, 2014. The Medicaid Expansion is designed to extend health insurance coverage to all adults in a state who are at or below 133 percent of the federal poverty level and who are not eligible for another Medicaid program. Currently, 133 percent of the federal poverty level is equal to an annual income of \$15,282 for an individual or \$25,975 for a family of three. Because the ACA ignores the first 5 percent of income, this actually means that the Medicaid Expansion will extend to those who are at 138 percent of the federal poverty level.

Ultimately, Medicaid Expansion is expected to cover about 16 million persons. Prior research indicates that about 40 percent of these persons, or about 6.4 million, will have a behavioral health condition at

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the time that they enroll, and that a majority of this latter population will have a primary substance use condition (see http://www.acmha.org/content/events/national/WHC_Universal_Coverage.pdf).

The Medicaid Expansion will employ a single streamlined application. You can learn more about this application at <http://www.kff.org/medicaid/8409.cfm> and see the draft form at http://files.www.enrollamerica.org/best-practices-institute/federal-guidance/508_CMS-10440_Appendix_C_FA_Paper_Application.pdf.

What Is the Status of the Medicaid Expansion in a Given State?

Thus far, 22 states and the District of Columbia have chosen to adopt the Medicaid Expansion in 2014, and 5 are leaning toward adopting the Medicaid Expansion. The remaining 19 states are leaning against the Medicaid Expansion. To learn about the specific situation in each state, visit: <http://www.advisory.com/Daily-Briefing/2012/11/09/MedicaidMap>. Further information about each state decision is available at <http://www.statereform.org/medicaid-expansion-decisions>.

Why Should Peers Be Concerned About the Medicaid Expansion?

Peers must become engaged in advocating for the Medicaid Expansion in their state because a large number of people with low incomes who have mental illness or substance use conditions will be eligible for enrollment and will not have any other options to acquire essential health insurance coverage.

Further, peer supporters will be needed as health insurance navigators to help these persons become enrolled and to extend the current mental health and substance use workforce, allowing high quality health services to be available and accessible.

What Actions Do Peers Need to Take?

It is recommended that peers take the following steps to promote Medicaid Expansion in their state and to engage in its implementation:

- Learn who in their state is working on the State Marketplace and determine its current status.
- If their state has not yet opted to adopt the Medicaid Expansion, become engaged in advocacy to promote it.
- If their state has chosen Medicaid Expansion, determine how they can qualify to become a health insurance navigator to help enroll uninsured peers.
- Work with their state and county mental health and substance use programs to become a peer supporter for new insurance enrollees who need behavioral health services.
- Throughout the entire process, peers are encouraged to be in contact with the National Coalition for Whole Health and its website at www.coalitionforwholehealth.org. Coalition representatives are available to answer questions and help peers address issues that may arise.

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