



THE ESSENTIAL HEALTH BENEFIT: 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 mandatory state Affordable Insurance Marketplaces and through the optional state Medicaid Expansion 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 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.

This document describes the EHB and outlines steps that peers can take to help implement mental illness and substance use coverage through the EHB.

What Is the Essential Health Benefit?

Under the ACA, the EHB must cover 10 specific types of benefits, including ambulatory patient services, emergency services, hospitalization, maternity and newborn care, mental illness and substance use disorder services, prescription drugs, rehabilitative and habilitative services, laboratory services, preventive and wellness care, and chronic disease management. For both mental illness and substance use conditions, the benefit must be at parity with the medical/surgical benefit. This means that the specific

insurance benefits for each of these conditions cannot be more restrictive than those for the medical/surgical benefit.

In 2012, each state was given the opportunity to define its EHB from a benchmark health insurance plan. It could choose from among 10 options defined by the U.S. Secretary of Health and Human Services. These options included the three largest federal employee health benefit plans, the three largest state employee health benefit plans, the three largest small group plans in the state, and the largest health maintenance organization in the state. If a state elected not to choose any plan, then the largest small group plan in that state became its default plan.

In addition to its exceptional importance for defining a mental illness and substance use benefit, the EHB will determine the amount of federal funds a state will receive for its optional Medicaid Expansion, as well as the size of the federal tax subsidy available to those insured under the state Affordable Insurance Exchange.

Why Should Peers Be Concerned About the Essential Health Benefit?

The EHB will determine the types of mental illness and substance use care and prevention services available under insurance plans offered through the state Affordable Insurance Marketplace and through the optional state Medicaid Expansion.

Many states that have chosen their EHB have elected a small group plan, and those states that have not chosen any plan have defaulted to the largest small group plan in that state. Generally, mental illness and substance use benefits are weak or nonexistent in these small group plans.

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What Is the Essential Health Benefit for a Given State?

The District of Columbia and 19 states have chosen a small group plan for their EHB; 3 states have chosen a state employee plan; and 4 states, an HMO plan. The remaining 24 states have defaulted to a small group plan. To learn about the specific situation in each state, visit: http://www.kff.org/healthreform/quicktake_essential_health_benefits.cfm.

To learn about how to conduct a detailed analysis of the mental illness and substance use benefit for each state's EHB, peers supporters may visit: <http://www.ncsl.org/issues-research/health/state-ins-mandates-and-aca-essential-benefits.aspx#Appendix%203>.

As a key point of comparison, the National Coalition for Whole Health has prepared a model mental illness and substance use benefit for use in the EHB. The model benefit is available at: <http://www.coalitionforwholehealth.org/2012/01/ehb-consensus-principles-and-service-recommendations/>

What Actions Do Peers Need to Take?

Peers must become engaged in ongoing work on their state's EHB. To this end, it is recommended that they take the following essential steps:

- Learn who in their state is working on the State Marketplace and determine its current status.
- Learn whether an analysis has been conducted of the mental illness and substance use benefit and of its parity with the EHB medical/surgical benefit; if not, undertake that analysis.
- If problems exist with the mental illness and substance use benefit, including problems with parity, peers may communicate their findings to the U.S. Secretary of Health and Human 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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