

After Supreme Court Victory for Health Insurance Reforms, Work Turns to the States for Now-Optional Medicaid Expansion

Washington -- June 28, 2012 -- The Affordable Care Act (ACA), a watershed reform of health care in this country, has withstood legal challenges as the U.S. Supreme Court has upheld nearly all of the health reform law. Following this judgment, the Judge David L. Bazelon Center for Mental Health Law will soon release a tool explaining the ACA's many opportunities for states to improve services for people with serious mental disorders.

The Court's ruling today upholds the essential elements of the ACA, which will significantly improve access to health care coverage and improve health and mental health care outcomes while reducing costs. The ACA is already helping the country make progress in these areas by focusing on prevention, early intervention, management of chronic illnesses including major mental illnesses, and quality of care.

As upheld by the Court, the ACA's expanded access to affordable private health insurance will be of great benefit to people with a mental illness, as 1 in 5 individuals with mental illnesses are currently uninsured.ⁱ Access to insurance has been particularly problematic for people who wish to purchase an individual health insurance policy. Under insurance companies' current practice, individuals with a pre-existing mental health condition either are offered policies that have unaffordable, high premiums or are disproportionately denied coverage and are unable to purchase any insurance.ⁱⁱ Also left intact by the Court, the ACA bans insurance companies from denying coverage to people with pre-existing conditions and creates subsidies to help people purchase insurance.

The ACA also requires all new plans sold in the individual and small group markets both inside and outside state-based health insurance marketplaces (called Exchanges) to include coverage of mental health and substance use disorder services. The millions of Americans who work for small businesses often have health policies that either have no mental health coverage or have very limited coverage with arbitrary caps on physician visits and hospital days. Many small employers do not provide any insurance coverage to employees at all. Under the ACA, small businesses will be able to afford policies that are more comprehensive, and both small business policies and individual policies will have to cover mental health services on the same terms as they cover other medical/surgical care.

Unfortunately for many low-income Americans with mental illnesses, the Court has ruled that the ACA's expansion of the Medicaid program to newly eligible individuals with incomes below 133% of poverty can only be a state option. This means that in states that do not choose this option (and no one knows how many that will be), significant numbers of low-income Americans will remain uninsured.

"In states that elect the Medicaid-expansion option," explained Chris Koyanagi, policy director for the Judge David L. Bazelon Center for Mental Health Law, "not only will very-low-income people have access to health care coverage they now lack, but those states will benefit from 100% federal funding for services to this group for the first three years and 90% federal funding thereafter. This is still an extremely good deal for the states, as well as for scores of Americans in need of health and mental health care services."

"By upholding the Affordable Care Act's health-insurance reforms, the Supreme Court has helped the nation move in the right direction," stated Robert Bernstein, PhD, president and CEO of the Bazelon Center. "All Americans need health care services and all Americans should have coverage for medically-necessary services when they need it. This is especially important for people with chronic and serious physical and mental health conditions. But more must be done to help states take up the important option of expanding Medicaid coverage to people who need it."

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The Judge David L. Bazelon Center for Mental Health Law (www.bazelon.org) is the leading national legal-advocacy organization representing people with mental disabilities. It promotes laws and policies that can enable people with serious mental illnesses or intellectual disabilities to exercise their life choices and access the resources they need to participate fully in their communities.

For more information or to speak to an expert from the Bazelon Center on this issue, contact Dominic Holt at [dominic @ bazelon.org](mailto:dominic@bazelon.org) or 202.467.5730, ext. 311.

ⁱ SAMHSA, Office of Applied Studies, National Survey on Drug Use and Health, 2005.

ⁱⁱ Druss BG, Rosenheck RA: Mental disorders and access to medical care in the United States. *American Journal of Psychiatry* 155:1775–1777, 1998