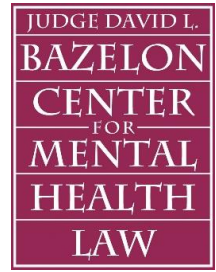


The Affordable Care Act and Mental Health Services



The Affordable Care Act (ACA) was the largest expansion of mental health services in decades, expanding not only access to health care coverage for millions of people with mental illnesses, but also specifically expanding access to needed mental health services across the health care system. This fact sheet highlights provisions of the ACA that are key for people with mental illnesses:

Increased Access to and Affordability of Coverage

- **MEDICAID EXPANSION:** The ACA expanded Medicaid to all adults and children living at 138% of the Federal Poverty Level. Crucially, people with behavioral health conditions make up 28% of that population.¹ In states that chose to expand Medicaid, millions of people with behavioral health conditions gained access to health insurance, including coverage of mental health and substance use disorder services. Access to Medicaid coverage, which virtually always provides more comprehensive mental health services than private insurance, has led to cost savings for states and to more people with mental illnesses working.²
- **BAN ON PRE-EXISTING CONDITION DISCRIMINATION:** The ACA prohibits health insurers from denying coverage to anyone because of a pre-existing health condition, such as a mental illness.
- **HEALTH INSURANCE SUBSIDIES:** The ACA also provides subsidies for low income individuals and families who otherwise would be unable to afford coverage.
- **COVERAGE FOR DEPENDENTS TO AGE 26:** The ACA requires all health insurers to cover an individual's dependents to age 26. This ensures that millions of young adults are able to continue receiving health insurance.
- **BAN ON ANNUAL AND LIFETIME LIMITS:** The ACA prohibits health insurers from limiting the amount of money they will spend per person. Before the ACA, many health insurers set a cap on how much they would pay per person each year. After an individual hit that limit, the insurer would refuse to pay any additional health care costs. Health insurers also set a life-time limit and many people with mental illnesses found themselves over that limit and with health insurance that would not pay for any health care services.

Increased Scope of Coverage

- **ESSENTIAL HEALTH BENEFITS:** All health care plans purchased on the “exchanges” set up by the ACA, as well as coverage under the Medicaid expansion, are required to cover ten Essential Health Benefits (EHBs). These include a behavioral health benefit.
- **MENTAL HEALTH PARITY:** The ACA added to the Mental Health Parity and Addiction Equity Act of 2008 and required that health insurers in the individual and small group markets and the Medicaid expansion comply with parity.
- **TREATMENT FOR PRE-EXISTING CONDITIONS:** In addition to barring health insurance companies from refusing to insure people with pre-existing conditions, the ACA also bars insurers from refusing to cover treatment for a pre-existing condition, such as a mental illness, and from requiring people with pre-existing conditions from paying more in premiums just because of their mental illnesses.
- **MEDICAID HOME AND COMMUNITY-BASED STATE PLAN OPTION:** The ACA also made important changes to a Medicaid option that allows states to cover crucial community-based mental health services for people with mental illnesses. Now, 17 states utilize this option.

Due to the combination of these important policies, 62 million Americans are estimated to have gained access to mental health and substance use disorder services.³

¹ DEPARTMENT OF HEALTH AND HUMAN SERVICES, JUDITH DEY ET AL., BENEFITS OF MEDICAID EXPANSION FOR BEHAVIORAL HEALTH (Mar. 28, 2016), available at <https://aspe.hhs.gov/sites/default/files/pdf/190506/BHMedicaidExpansion.pdf>.

² Jean P. Hall et al. Effect of Medicaid Expansion on Workforce Participation for People With Disabilities, 107 American Journal of Public Health 2, (Feb. 2017).

³ DEPARTMENT OF HEALTH AND HUMAN SERVICES, KIRSTEN BERONIO ET AL., AFFORDABLE CARE ACT WILL EXPAND MENTAL HEALTH AND SUBSTANCE USE DISORDER BENEFITS AND PARITY PROTECTIONS FOR 62 MILLION AMERICANS (Feb. 2013), available at <https://aspe.hhs.gov/report/affordable-care-act-expands-mental-health-and-substance-use-disorder-benefits-and-federal-parity-protections-62-million-americans>.