



California Pan-Ethnic Health Network

## Repealing the Affordable Care Act (ACA)

### What's at Stake for Californians Benefiting from Mental Health Care Services?

President-elect Donald Trump and House Speaker Paul Ryan are threatening to repeal the Affordable Care Act (ACA), undoing the tremendous progress California has made in reducing disparities in access to mental health care services. Prior to the ACA, Latinos and African Americans who sought help for mental health or substance use services were less likely to receive necessary treatment.<sup>i</sup> While these disparities persist, with more individuals insured, low-income Californians and communities of color are better able to access vital behavioral health services. But all of these gains are now at substantial risk!

#### Reduced access to coverage for mental health care services:

- **For Medi-Cal beneficiaries:** House Speaker Ryan and others propose to slash funding for Medicaid through block grants or enrollment formulas. In addition, proposals to repeal the ACA eliminate financing for the Medicaid expansion, which provides coverage for 3.7 million adults in California. Nationally, the Medicaid expansion has resulted in a reduction in the unmet need for mental health and substance use disorder treatment. States like California that expanded Medicaid eligibility saw a 30% greater likelihood of mental health treatment among low income individuals with a serious mental illness than states that did not expand Medicaid eligibility. Expansion states also saw increased coverage for individuals who were formerly incarcerated and individuals who are homeless<sup>ii</sup>. In the first six months of ACA implementation, an additional 69,191 adults received specialty mental health services in California.<sup>iii,iv</sup> If the Medicaid expansion is repealed, fewer Californians will be able to access these vital services.
- **For Covered California beneficiaries:** 1.4 million Californians purchase health insurance through Covered California, and 1.2 million receive financial assistance (subsidies) to do so. Covered California plans must provide mental health and substance use disorder treatment benefits. Republican proposals would repeal tax credit subsidies for those purchasing coverage in Covered California making health care unaffordable for millions of Californians. Additionally, Covered California has specifically targeted treatment of depression as an area for quality improvement and disparities reduction in 2017.<sup>v</sup> This is work that will likely be lost if ACA repeal impacts California's health insurance exchange.
- **For individual consumers:** Three-quarters of all serious mental illness begins before the age of 25. Therefore, the ACA prohibition on denying coverage on the basis of pre-existing conditions was particularly important to individuals living with mental illness, many of whom were previously denied coverage. Repealing the ACA would allow insurers to deny coverage to the 24% of Californians with declinable pre-existing conditions.<sup>vi</sup>

#### Skinnier benefits packages:

**For individual consumers:** The ACA created 10 Essential Health Benefits, including mental health and substance use disorder treatment. All individuals who purchase insurance on the job, in the individual

market or through Covered California are now entitled to coverage for these conditions. **Repeal proposals would allow insurers to drop coverage for these services, forcing consumers to pay out-of-pocket for their care.**<sup>vii</sup>

***For Individuals and families on Medi-Cal:*** The ACA also enabled California to expand mental health benefits in Medi-Cal.<sup>viii</sup> Medi-Cal beneficiaries now have access to:

- Individual and group psychotherapy;
- Psychological testing;
- Certain supplies and supplements;
- Psychiatric consultation;
- Medication management;
- Screening, Brief Intervention, and Referral to Treatment (SBIRT)<sup>ix</sup>

**Repeal proposals that slash funding for Medicaid, could force California to limit the mental health and substance use disorder treatment benefits provided to Medi-Cal enrollees.**

***For Children on Medi-Cal:*** Federal law and regulation require states to provide children enrolled in Medicaid with screening for physical, mental, developmental, and dental issues through the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program. In FY 14-15, nearly 267,000 California children received specialty mental health services through the EPSDT benefit.<sup>x</sup> Of these children, 51% were Hispanic, 11% were Black, and 3% were Asian or Pacific Islander. **Federal proposals to block grant Medicaid could end the entitlement to services for children.**

**Access to mental health care services and other consumer protections at risk for non-English speakers:**

California is one of the most diverse states, with nearly 7 million limited English proficient (LEP) residents. Nearly 92% of adults in California with limited English proficiency reported unmet needs for mental health services, with about 70% receiving no treatment at all.<sup>xi</sup> Since 2009, health plans in California have been required to provide access to interpreter services and to translate vital documents into threshold languages, among other requirements.<sup>xii</sup> **Federal proposals to allow health plans to be sold across state lines would jeopardize this and other crucial consumer protections.**

The Affordable Care Act also prohibits discrimination on the basis of race, color, national origin (language or immigration status), sex, sexual orientation or gender identify, age, or disability in any health program or activity that receives federal funds. Although California does have nondiscrimination and language access protections in place, the ACA strengthens notification of these rights to consumers. If the ACA is repealed, consumers may no longer be aware of the rights they have or where to complain. This is especially important for individuals with mental illness where discrimination can exacerbate these conditions.

**Derail efforts to integrate mental health services**

The ACA has reoriented the way we think about health care to focus more intensively on the needs of the whole person. As an example, a patient with diabetes may also be dealing with depression. Since implementation of the ACA, California has made considerable strides in integrating mental health care with physical health care services by taking advantage of enhanced federal funds and greater state flexibility. For example, California's Section 1115 Managed Care Waiver includes the Whole Person Care

Pilot Program. This program aims to coordinate health, behavioral health, and social services for beneficiaries.<sup>xiii</sup>

The integration of treatment of substance use disorders into both mental health care and primary care has also been a focus. In 2015, California received approval for a five year demonstration program to expand substance use disorder benefits for Medi-Cal benefits through the Drug Medi-Cal Organized Delivery System.

The ACA has also impacted California's ability to address incarceration and recidivism. Approximately 30% of the prison population has a diagnosed mental illness.<sup>xiv</sup> Prior to the ACA, 9 out of 10 people detained in local jails had no health coverage.<sup>xv</sup> However, approximately 25-30% of people released from jail are eligible to enroll in Medicaid due to the expanded eligibility, and another 20% are eligible to purchase coverage through the Exchange.<sup>xvi</sup>

**These gains will be lost if the ACA is repealed.**

**Make your voice heard to stop the ACA repeal!** We must save our behavioral health and prevent vulnerable communities from losing access. Join us in advocating to your Representative and share your story today! <http://cpehn.org/page/having-our-say-resources>. Contact [ksavage@cpehn.org](mailto:ksavage@cpehn.org) for more information.

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<sup>i</sup> UCLA Center for Health Policy Research. (2009). California Health Interview Survey. Accessed on September 3, 2015.

<sup>ii</sup> Cited in <https://aspe.hhs.gov/sites/default/files/pdf/190506/BHMedicaidExpansion.pdf>

<sup>iii</sup> Department of Health Care Services. (May 2016). Medi-Cal Specialty Mental Health Services Policy Change Supplement for Fiscal Years 2015-16 and 2016-17.

<sup>iv</sup> Medi-Cal beneficiaries who meet medical necessity criteria for serious mental illness are entitled to specialty mental health services provided by county Mental Health Plans (MHPs). These include inpatient hospitalization, crisis management, rehabilitation, and case management. Specialty mental health services are funded by combination of federal, state, and local funds and pre-date the ACA.

<sup>v</sup> [http://hbex.coveredca.com/stakeholders/plan-management/PDFs/2017\\_QHP\\_Issuer\\_Contract\\_Attachment\\_7\\_3\\_4\\_2016\\_Redline.pdf](http://hbex.coveredca.com/stakeholders/plan-management/PDFs/2017_QHP_Issuer_Contract_Attachment_7_3_4_2016_Redline.pdf)

<sup>vi</sup> Kaiser Family Foundation. (2016). Pre-existing Conditions and Medical Underwriting in the Individual Insurance Marketplace Prior to the ACA. Retrieved from <http://kff.org/health-reform/issue-brief/pre-existing-conditions-and-medical-underwriting-in-the-individual-insurance-market-prior-to-the-aca/>

<sup>vii</sup> In 2008 the federal government passed a law that prohibits health plans that provide coverage for mental health and substance use treatment services from limiting those services more than medical and surgical services. Prior to the ACA, only plans that chose to cover mental health and substance use disorder services were subject to these "parity" requirements. A final federal regulation issued in March 2016 applied these provisions to plans in Medi-Cal. This new requirement ensures equity in the treatment of mental health and substance use disorder benefits in both the commercial market and Medi-Cal. In California, the Department of Managed Health Care has embarked on robust enforcement of these new provisions. Repeal proposals that eliminate the Essential Health Benefit would leave in place only a shell of these new requirements.

<sup>viii</sup> SB X 1-1 (Chapter 4, Statutes of 2013-14 First Extraordinary Session, companion bill to AB X 1-1) expanded mental health and substance use disorder treatment benefits in Medi-Cal as a part of California's implementation of the ACA.

<sup>ix</sup> Welfare and Institutions Code §14132.03(a)

<sup>x</sup> [http://www.dhcs.ca.gov/services/MH/Documents/POS\\_StatewideAggRep\\_Sept2016.pdf](http://www.dhcs.ca.gov/services/MH/Documents/POS_StatewideAggRep_Sept2016.pdf)

<sup>xi</sup> UCLA Center for Health Policy Research. (2011). Adult Mental Health Needs in California. Retrieved from <http://healthpolicy.ucla.edu/publications/Documents/PDF/MentalHealthreportnov2011.pdf>.

<sup>xii</sup> <http://cpehn.org/policy-center/cultural-and-linguistic-competency/sb-853-health-care-language-assistance-act>

<sup>xiii</sup> Additionally, Section 2307 of the Affordable Care Act allowed states to access additional funding to create a comprehensive system of care coordination for Medicaid beneficiaries with chronic conditions. This is known as the "Health Homes Option". California pursued this option, which will likely be repealed.

<sup>xiv</sup> <http://www.nytimes.com/2013/04/11/opinion/mental-illness-in-california-prisons.html>

<sup>xv</sup> Californians for Safety and Justice. "Enrolling County Jail and Probation Populations in Health Coverage". September 2013.

<sup>xvi</sup> Ibid.