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Healthcare Reform: Mental Health Problems



THE AFFORDABLE CARE ACT COULD HELP OLDER ADULTS WITH MENTAL HEALTH PROBLEMS, BUT WILL IT?

By Michael B. Friedman and Kimberly A. Williams

As enacted, the Affordable Care Act (ACA) could benefit older adults with mental health conditions, but recent judicial and political challenges make that outcome far from certain. The Supreme Court will decide whether healthcare reform is constitutional this spring, and the derisively named "Obamacare" is not only fodder in Republican primaries but will certainly be a major focus of that party's attack on Obama in the presidential campaign if it is not first overturned by the Supreme Court. Other issues also are cropping up as the implementation process unfolds.

The ACA benefits older adults with mental health problems in seven ways by: providing improved coverage of physical healthcare, which is important to older adults with mental and-or substance use disorders because they are highly likely to have co-occurring chronic physical disorders; providing improved coverage of mental health conditions; providing improved coverage of medications under Medicare Part D, including psychiatric medications; providing financial incentives for providers to enhance health and mental health services integration; emphasizing preventive interventions; emphasizing services in the home and community instead of in institutions; and calling for enhancements of long-term care coverage and service quality.

General health coverage improvements that will benefit older adults with mental and-or substance use disorders include:

- Insurance reforms for older adults with employer-based health coverage, including coverage of pre-existing conditions, community rating and maintenance of coverage during long illnesses;
- Medicare coverage of some health promotion and illness prevention measures; and,

- Improved coverage of mental health services: Just two years ago, new federal laws required “parity” in the coverage of mental and physical health conditions in employer-based health benefit plans and Medicare. The ACA carries these requirements forward and expands them.

Improved Medicare Part D drug coverage includes:

- Reduced out-of-pocket spending on pharmaceuticals by shrinking the “donut hole”; and,
- Improved coverage of psychiatric medications, including benzodiazepines and barbiturates, which were not originally covered by Part D.

Incentives to enhance physical and behavioral health services integration include:

- Rate increases for medical practices recognized as “medical homes” that provide coordinated care and preventive services, among other features;
- Two years of 90 percent federal financial participation in Medicaid payments to “health homes,” which will coordinate care for people with chronic physical and-or behavioral health conditions; and,
- Contracts with “accountable care organizations”—a new structure designed to improve care quality and contain costs.

Preventive interventions are emphasized in this legislation, including new Medicare payments for preventive healthcare.

Home- and community-based services are also emphasized. There will be new demonstration grants as well as new opportunities for Medicaid waivers for state efforts to reduce the use of nursing homes and instead provide care for people with disabilities in their homes and communities.

Long-term Care

The ACA includes several provisions that recognize that the coming elder boom will have vast impact on the need for, and nature of, physical and behavioral health services. Perhaps the major provision is known as the CLASS Act, which—if implemented—would make it more likely that people would buy long-term care insurance. In addition, the legislation includes provisions to improve the quality of care in nursing homes. Since mental and behavioral disorders are among the major reasons for nursing home placement, older adults with such disorders and their family caregivers at high risk for depression and anxiety disorders can benefit from these long-term care provisions.

Will These Provisions Stand?

The Affordable Care Act is under attack from several states, which have claimed it is unconstitutional because it requires that all individuals have health coverage and because it expands Medicaid. The Supreme Court will decide these issues by June 2012.

And, as we write this, an effort is underway to repeal the CLASS Act. Although repeal is the subject of vitriolic political debate, in fact the Obama administration, which opposes repeal, has announced that this provision of the ACA is impossible to implement and has stopped its efforts to do so. One way or another, the CLASS Act will not happen in its current form.

There are a number of other implementation issues, such as defining the Essential Health Benefits package, which will also play out over the next few months. Advocates need to be vigilant to make sure the mental health services needed for older adults are included.

Even with these challenges, many assume that, regardless of the Supreme Court decision, most elements of the ACA will still stand. It seems quite possible, however, that absent an individual mandate and expansion of Medicaid, the ACA would be effectively gutted.

This is a volatile time for health reform. The outcome is anybody's guess.

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