

INTERACT FOR HEALTH

A Catalyst for Health and Wellness

The New Healthcare Law and You

How will your insurance costs change if you have a **SUBSTANCE USE DISORDER?**

The Affordable Care Act (ACA) became law in March 2010. It makes changes to the health insurance system and to health insurance benefits that may affect the cost of insurance and healthcare for people with *substance use disorders* (words in italics defined at right).

The ACA sets a minimum level of benefits and maximum level of costs for all insurance plans beginning in 2014. Your insurance plan may cover more than these minimum services or costs. Contact your insurer to find out more.

The ACA requires that almost everyone have insurance beginning in 2014. If you do not have insurance and do not qualify for one of the exceptions, you will be taxed.

Beginning in 2014 private insurance plans and Medicaid must cover essential health benefits. The ACA requires that this includes substance abuse treatment services. But each state will decide exactly which services are included. Check with your state's department of insurance or your employer's human resources department to learn more.

DEFINITIONS

Substance Use Disorder (SUD): A condition in which a person abuses or is addicted to alcohol or other drugs. A person suffering from a substance use disorder may have problems with physical health, working, relating to others and daily functioning.

Essential Health Benefits: A set of basic healthcare services where at least 60% of costs must be covered by insurance beginning in 2014. This includes emergency care, hospitalization, pregnancy and newborn care, mental health and substance use disorder services, prescription drugs, and lab work, among other things.

Preventive Services: A group of healthcare services aimed at preventing or finding early mental and physical health problems. All health plans must cover 100% of the cost of these services by 2014. Many already do.

Below are examples of how these changes affect people.*



Barb, age 28

Single and drinks alcohol every weekend

Employment: employed full time

Income: \$45,000/year

Insurance: A new plan her small employer started offering last year.



David, age 33

Uses marijuana daily

Employment: works part time

Income: \$13,000/year

Insurance: None. David does not qualify for Medicaid because he is not a mother, a child or disabled.

Because Barb's insurance plan did not exist on March 23, 2010, all ACA rules apply to it right away. For example, her insurer must cover 100% of the cost of *preventive services*. This includes services such as substance abuse screenings and treatment referrals.

BEGINNING IN 2014:

- Her plan will cover SUD services because they are *essential health benefits*.
- She will not spend more than \$5,950 per year on co-pays and deductibles for essential health benefits
- Her deductible will be \$2,000 or less for an individual plan

NOW:

- David is uninsured. His employer's insurance is too expensive and does not cover SUD treatment.

BEGINNING IN 2014:

- If David's state implements the ACA Medicaid expansion, he will get Medicaid as long as he makes 138% or less of the federal poverty level (in 2013, \$15,857 for a family of one). It will be based only on income.
- Medicaid will cover SUD services for his treatment.

How will your insurance costs change if you have a substance use disorder? (cont'd)



George, age 47, and Josh, 17

Josh is addicted to pain pills

Employment: George works full time; Josh is a student.

Income: \$39,000/year

Insurance: George is insured, but Josh is not. Josh cannot get Medicaid because his dad earns too much. George's insurer will not cover Josh because of his SUD.

NOW:

- George can buy any family plan because insurers may no longer deny insurance to children younger than 19 with a health problem.
- Josh can stay on his father's family plan until he turns 26 even if his health improves.

BEGINNING IN 2014:

- George can choose to buy an insurance plan on a marketplace. Marketplaces will be online places where anyone can easily compare and purchase insurance. If George chooses to buy their insurance on a marketplace,

he will get a subsidy so long as he makes less than 400% of the federal poverty level (in 2013, \$62,040 for a family of two). The subsidy will pay for part of the premiums to make sure that he does not spend more than 9.5% of his income on premiums. He will most likely spend even less than that.

- George and Josh will spend no more than \$5,960 each year on deductibles and co-pays for essential health benefits. This limit varies based on whether a person has a family or individual plan, and how much they make.



Sam and Trish, ages 63 and 59

Married, Sam is a recovering alcoholic

Employment: Trish is employed full time; Sam is unemployed

Income: \$75,000/year

Insurance: None. Trish's employer does not offer it; insurers will not sell them a family plan because of Sam's SUD.

NOW:

- Sam can buy insurance through the new Pre-Existing Condition Insurance Plan (PCIP) because he has a health problem and has been denied insurance for six months. Trish can buy an individual insurance plan on her own.

BEGINNING IN 2014:

- Because Trish's employer has more than 50 full-time employees and does not have a self-insured plan, it must begin offering insurance in 2014 or pay a penalty tax. The insurance provided must cover at least essential health benefits and preventive care, but may cover more.

- If Trish's employer decides not to offer insurance, Trish and Sam can buy any insurance plan because insurers will no longer be allowed to deny anyone a plan because of a mental or physical health problem. If they choose to buy insurance on a marketplace they will get a subsidy. (See George and Josh for more information on subsidies.)
- When Sam turns 65 in 2014, he can get Medicare. Beginning in 2014, Medicare will pay for SUD services at the same rate it pays for other physical healthcare services.

**These are fictional examples for demonstration purposes only. They are based on the best information available at the time of publication, but are subject to change. Please consult your insurer, human resources department or state Medicaid/Medicare office for individual information.*

**INTERACT
FOR HEALTH**
A Catalyst for Health and Wellness

**This is part of a series about
the new health care law –
the Affordable Care Act.**

**For more information, visit
reform.interactforhealth.org.**



Interact for Health, formerly The Health Foundation of Greater Cincinnati, improves the health of people in the Cincinnati region by being a catalyst for health and wellness. We accomplish our mission by promoting healthy living through grants, education and policy. Interact for Health is an independent nonprofit that serves 20 counties in Ohio, Kentucky and Indiana.