



How the decision ruling the ACA unconstitutional impacts people with mental illness

From Kaiser Family Foundation

The Affordable Care Act's changes to the nation's health care system are so widespread that **nearly all Americans would be affected in some way** if a federal judge's decision ruling the entire law unconstitutional is upheld, according to a [new analysis](#) by the Kaiser Family Foundation.

While the changes to the individual insurance market – including protections for people with pre-existing conditions, creation of insurance marketplaces, and premium subsidies for low and modest income people – have been the focus of political and policy debate and media coverage, the impact of the eight-year-old law reaches far beyond that relatively small slice of the health care system.

- The law also expanded Medicaid eligibility,
- imposed new requirements for employer-provided benefits,
- expanded preventive services,
- gradually closes the “doughnut hole” gap in Medicare drug coverage,



From NAMI National

What happened?

On Friday, U.S. District Court Judge Reed O'Connor in Fort Worth, TX issued a ruling, in the case *Texas v. United States*, that the entire Affordable Care Act (ACA) is unconstitutional.

What does this mean for people's coverage?

No one will lose their coverage or

- reduced Medicare payments to health providers and insurers,
- introduced new national initiatives to promote public health and raise quality of care, and
- imposed a variety of tax increases to fund expanded health coverage.
- The number of non-elderly Americans who are uninsured decreased by 19.1 million people from 2010 to 2017 as the ACA went into effect.

All of the changes could be overturned if the courts uphold the ruling by U.S. District Judge Reed O'Connor this month that the ACA is unconstitutional. The analysis looks at key provisions of the law and how many people are affected by them, as well as relevant KFF public opinion polling. Many people would lose benefits if the law were overturned, but others would gain financially. Among the highlights:

- Nearly 13 million Medicaid enrollees in 32 states and D.C. became newly eligible for the program through Medicaid expansion. Three-fourths (77%) of the public have a favorable view of the provision giving states the option to expand Medicaid.
- Adult children are able to remain on their parents' insurance plans up to age 26. About 2.3 million young adults gained coverage due to this provision. Eight in ten (82%) Americans view this provision favorably.
- New health insurance marketplaces make available to individuals and families insurance plans with a defined set of

have protections stripped away because of this ruling at this time.

The ruling will be appealed and could be overturned. In the meantime, the White House issued a statement that read, "We expect this ruling will be appealed to the Supreme Court. Pending the appeal process, the law remains in place."

What could this ruling mean?

The invalidation of the ACA, if upheld on appeal, would touch nearly every corner of the health care system and affect virtually every American. If upheld, this would be devastating for people with mental illness:

- Millions of individuals and families covered through the ACA's Medicaid expansion, including people with mental illness, would **lose their coverage.**
- Millions of individuals who purchase individual or small group health insurance plans would **lose important protections—and could even lose their coverage.** These plans would **no longer be required** to:

minimum benefits (e.g. hospitalization, maternity care, mental health, prescription drugs), as well as federal subsidies and cost-sharing reductions based on income. As of June 2018, 10.3 million individuals had coverage through the marketplaces, including 8.9 million who received premium tax credits and 5.4 million who got cost-sharing reductions. Most of the public has a favorable opinion of the law's creation of health insurance exchanges **(82%)**, and of providing financial help to low- and moderate-income Americans who buy their own insurance **(81%)**.

- Insurers can no longer deny coverage for pre-existing conditions, charge higher premiums based on health status or gender, revoke coverage when someone gets sick or impose annual or lifetime limits. More than 52 million people have a pre-existing condition that could have kept them from getting coverage in the pre-ACA individual market. The ACA also capped out-of-pocket spending (at \$7,900 for an individual and \$15,800 for family coverage in 2019). Most Americans say it is "very important" to them that these ACA provisions remain law and seven in ten say they would want their states to establish protections for people with pre-existing conditions if the ACA's protections are ruled unconstitutional.
- Insurers must cover certain preventive services at no out-of-

- Cover preexisting conditions, like mental illness;
- Guarantee coverage to everyone who applies;
- Charge people with mental illness the same price as others for the same plan;
- Provide parity coverage for mental health and substance use conditions;
- Cover conditions without lifetime and annual limits; and
- Cover mental health medications the same way they cover other medications.

- Medicare beneficiaries would **lose free coverage of important preventive services** and could see the Part D prescription drug "donut hole" reopen, imposing higher drug costs.
- Americans who have health insurance through their employer would

pocket costs to consumers. Eight in 10 **(79%)** favor eliminating out-of-pocket costs for many preventive services.

- The law phases out the Medicare “doughnut hole” by gradually reducing the share of total drug costs paid by Part D enrollees in the coverage gap. Forty-three million people were enrolled in Medicare Part D in 2018. In 2016, more than 5 million Part D enrollees without low-income subsidies reached the coverage gap. Most Americans **(81%)** have a favorable view of this provision.

- Lose their right to preventive services;
- Lose coverage of children to age 26; and
- See lifetime and annual dollar limits of coverage reappear.

NAMI will continue to monitor this situation and fight against efforts to turn back the clock to a time when health insurance plans discriminated against people with mental illness.



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