

The American Health Care Act: What Does It Mean for the ADHD Community?

The US House of Representatives had been preparing to vote on the American Health Care Act (AHCA), which would repeal significant portions of the Affordable Care Act (ACA or “Obamacare”) and replace them with alternative coverage policies. At this time, the House is not moving forward with a vote on the AHCA.

The Congressional Budget Office (CBO) has released official estimates showing that the AHCA would reduce the deficit by \$150 billion over ten years. The CBO further estimates that elimination of the individual and employer mandates under the AHCA will result in 14 million fewer people having health care coverage in 2018. By 2026 this number would increase to about 24 million due to changes under the AHCA to the Medicaid program and to tax credits for individuals purchasing private market insurance. These estimates reflect changes included in an original “manager’s amendment” to the bill, but do not reflect additional changes to eliminate essential health benefit requirements.

Under the AHCA, a number of core elements of the ACA would be repealed, modified, or replaced—and many would be left alone. The AHCA would impact coverage under Medicaid, individual and small group markets, and to a lesser extent employer-sponsored insurance. This bill would have little impact on other governmental programs like Medicare for seniors, veterans’ coverage, and TRICARE for active service members and their families.

This summary provides highlights of what the AHCA does.

- ***Individual and employer “mandates.”*** Current law requires individuals to maintain qualifying health insurance coverage (which includes coverage under government programs like Medicaid) or pay a penalty. Current law requires employers with 50 or more full-time employees to provide qualifying health insurance to their employees or pay a penalty per employee. The AHCA repeals both mandates.
- ***Continuous coverage rule.*** To achieve the goal of the individual mandate, the bill imposes a 30 percent penalty on insurance premiums for anyone who goes without coverage for 63 days or longer during the prior 12 months (the continuous coverage rule). *Individuals with ADHD* who obtain health insurance in the individual market will need to pay very close attention to deadlines to avoid coverage lapse.
- ***Popular insurance market reforms.*** Currently, health insurers cannot deny health insurance coverage or charge higher premiums based on having a “pre-existing condition” like ADHD diagnosed before an individual buys health insurance. The AHCA does not impact these pre-existing condition rules and other existing rules requiring insurers to offer dependent coverage until age 26; prohibiting annual and lifetime limits

on the amount of coverage offered; and prohibiting discrimination based on race, nationality, disability, age, or sex.

- **Essential health benefits.** Currently, all plans sold on the individual and small group markets, as well as Medicaid plans, must cover essential health benefits (EHBs), which include treatments for mental health, behavioral health and substance use disorder. The AHCA repeals EHB requirements *for both the private market and the Medicaid expansion population*. The indirect effect of eliminating EHBs from the private market also weakens rules imposing on out-of-pocket maximums and prohibiting annual and lifetime caps on coverage. *Individuals with ADHD* who are covered by individual market plans or are on Medicaid, including Medicaid managed care plans, should pay close attention to the categories of care their plans cover to be sure they continue to cover mental health prescription drugs and services.
- **Actuarial value.** The AHCA repeals the actuarial value (AV) metal levels—gold, silver, and bronze—for example, gold plans pay 80 percent of costs, enrollees pay 20 percent; so insurers would have more flexibility to charge higher co-pays and deductibles for EHBs. Many insurers will likely offer plans with lower monthly premiums but higher out-of-pocket expenses. *Individuals with ADHD* should pay close attention when comparing plans to evaluate coverage for items and services they need, such as particular branded medications, some of which are likely to increase in cost to enrollees.
- **Premium tax credits and cost-sharing reduction payments.** Currently, the federal government provides subsidies (called “premium tax credits”) to help low-income individuals pay for health insurance premiums. The AHCA repeals the individual premium tax credits based on income and replaces them with tax credits based primarily on age. However, this new premium tax credit is *phased out based on income* (above \$75,000 for individuals and above \$150,000 for joint filers). Individuals and families with higher household incomes will not be eligible for these new tax credits, and those with lower incomes will receive lower subsidies than under current law.
 - Under the AHCA, use of federal tax credits to subsidize health coverage would no longer be limited to “qualified health plans” (plans meeting federal exchange regulations). Individuals could purchase a wider variety of plans but could unwittingly enroll in plans that lack the consumer protections in the qualified health plans, such as mandatory coverage for EHBs, maximum out-of-pocket limits, and prohibitions on annual and lifetime limits. *Individuals with ADHD* who require access to specific items and services, particularly mental and behavioral services, should pay attention to whether they are enrolling in qualified coverage.
 - Currently, individuals below certain income levels who purchase a “silver plan” also receive cost-sharing reduction payments that help to reduce, or even totally eliminate, the deductible required by a health insurance plan. The AHCA would eliminate these payments beginning in 2020.

- **Expanded Health Savings Accounts (HSAs).** The AHCA increases the maximum tax-subsidized amounts that can be contributed to HSAs, expands their use, and reduces the penalties for using HSA funds on non-health care expenses.
- **Medicaid expansion provisions.** Current law provides federal funding to states to expand eligibility for Medicaid from a state’s previous eligibility level to include individuals earning up to 138 percent of the federal poverty level. The AHCA would phase out this additional federal funding for “Medicaid expansion” by 2020. Under a manager’s amendment offered by the bill’s authors, the phase-out of Medicaid expansion would be accelerated to 2017, and no additional states would be permitted to expand their programs. It would also cap Medicaid eligibility for children at 100 percent of the federal poverty level.
- **Medicaid financing reform.** The biggest change to Medicaid under the AHCA—which is estimated to save the federal government \$880 billion over ten years—would replace the current mandatory federal matching funds for state Medicaid programs with one that imposes a flat cap per Medicaid enrollee based on 2016 spending. Under the manager’s amendment, states could also opt to receive “block grants” in lieu of per capita caps and establish their own rules for eligibility and coverage.
- **Medicare provisions.** The AHCA does not change Medicare, but is estimated to cause the Medicare Trust Fund to become insolvent sooner than current law.

As you are likely aware, Congress had been considering legislation to repeal and replace the Affordable Care Act (ACA). Because CHADD is an ADHD educational organization, not a political organization, we view our role as primarily to educate our members and the broader ADHD community about how different reform proposals could impact coverage and access to treatments for ADHD. If there are specific policy proposals that will improve the lives of our constituencies, CHADD will advocate for those changes.

In the current political environment, many Americans are feeling impassioned to take a stand and engage in federal policymaking debates. At CHADD, we think that is great and—when done in an informed and respectful way—should be encouraged. We believe it is CHADD’s job to provide you, our member, and the public with the ADHD-specific information to help you inform your own opinions and decide whether and how to engage in the political process.

How could these changes impact coverage for ADHD-related care?

Several provisions of the AHCA could impact access to ADHD-related care, so if the law passes, individuals and families with ADHD should be cognizant of these issues:

- The AHCA eliminates the AV metal levels (for example, gold plans cover 80 percent of costs) to create greater flexibility for insurers who want to charge higher co-pays and deductibles than permitted under the ACA. It is unknown exactly how insurers will

respond to these newfound flexibilities, but it is likely many will offer plans with lower monthly premiums but higher out-of-pocket expenses. Therefore, individuals should pay close attention when comparing plans to evaluate coverage for items and services, some of which are likely to increase in cost to enrollees. Those who need coverage for specific items, such as particular branded medications, should pay careful attention to the different cost-sharing tiers of pharmacy benefits, for example.

- The use of federal tax credits to subsidize health coverage is no longer limited to “qualified health plans,” or those meeting the insurance regulations of the ACA. This will give individuals the flexibility to purchase a wider variety of plans, but also means that individuals could unwittingly end up enrolled in plans that lack these consumer protections, such as mandatory coverage for essential health benefits and prohibitions on annual and lifetime limits. Individuals who require access to specific items and services, particularly mental and behavioral services, should pay attention to whether they are enrolling in qualified coverage.
- The AHCA’s continuous coverage rule imposes an extra 30 percent surcharge on insurance premiums in the individual market for anyone who has a lapse in health insurance coverage of 63 days or longer. While this replaces the ACA’s individual mandate, the amount of the government-mandated penalty for failing to maintain continuous coverage will actually be higher for most enrollees. Thus, individuals with ADHD securing commercial health insurance should pay very close attention to deadlines to ensure their coverage does not lapse.
- The AHCA repeals EHBs for individual market and Medicaid plans. It is likely that a number of commercial market and Medicaid managed care plans will opt not to cover certain EHBs, and therefore cease covering mental health prescription drugs and services. Additionally, elimination of federal EHB rules could also result in much higher out-of-pocket costs associated with certain categories of items and services. Therefore, individuals with ADHD should pay close attention to the categories of care their plans cover, as well as any caps on the amount of coverage for different categories of care.

CHADD’s Assessment of the AHCA

Like its membership and the broader ADHD community, CHADD is a diverse organization that welcomes all different people with all different views—what unites us is our commitment to advancing the interests of children and adults with ADHD. CHADD’s leadership, public policy team, and consultants have concerns with specific aspects of the AHCA.

We are concerned that some provisions of the current bill could complicate access to treatment for ADHD among certain subsets of the population. Low-income communities, in particular, are likely to have a harder time finding affordable coverage options and more individuals are expected to end up uninsured. Per capita caps and block grants will put significant fiscal pressures on state Medicaid budgets and force them to find ways to reduce spending, including restricting access to branded medications. With EHBs eliminated, we are also concerned that it

would be easier for insurance companies to discriminate against individuals with certain conditions, such as ADHD.

There are other aspects of the legislation, however, that give us encouragement that many individuals and families with ADHD may find additional flexibilities that meet their families' needs, and possibly at a lower price than their coverage today. It is too early to tell whether these new incentives will be effective at getting individuals to enroll in coverage.

It is important to keep in mind that the ACA, or Obamacare, did not solve all of the health insurance problems that people with ADHD experience. CHADD conducted a survey on health insurance experiences in 2016, and we found that many respondents continued to face major hurdles in accessing the ADHD treatments and services they or their family members desired. It is also worth keeping in mind that ACA did not create all of the problems that people experience in their health coverage, such as ever-increasing premiums.

On balance, we are not convinced that most individuals and families with ADHD will be better off under the AHCA than they are today, especially those with lower incomes, and therefore CHADD is not endorsing the legislation at this time. However, we believe that some people with ADHD may be better off and many will at least be no worse off, and therefore we are not working to prevent the bill's advancement through the legislative process.

Given our concerns about the potential impact of certain provisions, we will continue to closely monitor developments relating to the legislation and will be prepared to provide our perspective to policymakers where we think we may have an opportunity to positively influence the legislation for our members and the broader ADHD community.

Need Additional Information?

- If you want to learn more about the bill, you can read the current version on the House Committee on Rules' website (<http://docs.house.gov/billsthisweek/20170320/BILLS-115hrPIH-AHCA.pdf>) and can view the Congressional Budget Office analysis on their website (<https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/americanhealthcareact.pdf>).
- If you want access to other summaries and analysis, we recommend the following sources known for objective information about health legislation: *Kaiser Family Foundation* (http://kff.org/tag/aca-repeal/?utm_source=web&utm_medium=trending&utm_campaign=ACA-repeal); *Modern Healthcare* (<http://www.modernhealthcare.com/>); *Politico* (<http://www.politico.com/health-care>); *Health Affairs* (<http://healthaffairs.org/blog/>).
- If you would like to make your own voice heard, you can look-up your House Representative by zip code here: www.house.gov, and your Senators by state here: www.senate.gov.



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- If you would like more information about CHADD's public policy initiatives, please contact CHADD's Chief Operating Officer, April Gower-Getz, at april_gower@chadd.org.