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## Ten Ways the Affordable Care Act Helps Older Adults and People with Disabilities

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The Affordable Care Act (ACA) is helping millions of previously uninsured Americans access comprehensive health coverage through Medicaid and the individual insurance market. It has also strengthened consumer protections in Medicare and Medicaid and improved coverage quality in those programs. Below are some key policies that specifically help older adults and people with disabilities.

**1. The ACA has improved access to essential services for people with disabilities.**

Before the ACA, health plans and Medicaid programs often limited necessary services for people with disabilities or simply did not cover them, such as habilitation services like hearing aids or speech therapy for children. The ACA listed habilitation as one of 10 essential health benefits that all qualified plans must cover. Now, Medicaid programs, small group and individual health plans in all 50 states cover these habilitation services and devices that help people overcome challenges. For example, individuals with autism have better access to applied behavior analysis (ABA), which provides intense one-on-one training to help improve communication, social skills, and other key functional abilities.

**2. The ACA helps millions with behavioral health conditions to get needed services.**

The ACA strengthened mental health and substance use disorder services by including them as required essential health benefits that qualified plans must cover. The law also bolstered mental health parity requirements to ensure that mental and behavioral health services are covered comparably to physical health services. Many people newly covered under the ACA-established adult Medicaid eligibility group or with Marketplace insurance have chronic or behavioral health conditions or other functional challenges that insurance can help to address. One university study showed that individuals with serious mental illness were 30% more likely to receive treatment when they were covered by Medicaid.<sup>1</sup> Another randomized experiment found that Medicaid coverage resulted in a 30% reduction in the rate of depression.<sup>2</sup>

**3. The ACA created new protections against coverage policies that discriminate against people with disabilities and older adults.**

The ACA prohibits health plans from excluding or charging more to people with pre-existing conditions, who constitute over half the U.S. population and over eight in ten of those aged 55-64.<sup>3</sup> Since the ACA passed, the uninsured rate for Americans with pre-existing conditions declined by at least 22%, meaning 3.6 million people with pre-existing conditions have gained coverage.<sup>4</sup> The ACA's section 1557 also provides important anti-discrimination protections in health programs or activities based on race, ethnicity, age, sex, and disability. Among other things, it prohibits discriminatory plan design, such as placing all HIV/AIDS medications in the highest cost sharing tiers to discourage enrollment, and requires that services, facilities, and health information be fully accessible for persons with disabilities.

**4. The ACA is expanding access to home- and community-based services.**

Medicaid home- and community-based services (HCBS) allow over 5 million individuals to receive services and supports like assistance with bathing, eating, cooking and managing medications that help them live at home rather than in more costly institutions such as nursing homes.<sup>5</sup> Supporting people in the community protects social networks, improves well-being, and lowers Medicaid costs.<sup>6</sup> The ACA expanded access to Medicaid HCBS services by providing states with new options to start HCBS programs and incentives to shift funding to community-based care. Medicaid continues to be a driving force innovating quality HCBS delivery systems, with HCBS funding increasing by 21% from 2010 through 2014 while institutional expenditures remained flat.<sup>7</sup> Eight states have adopted the ACA's Community First Choice option, a program through which individuals receive needed supports to remain at home and states receive extra Medicaid federal matching funds to cover the services.<sup>8</sup>

**5. The ACA provides affordable coverage alternatives for people with disabilities during the Medicare waiting period.**

Each year roughly 1.5 million Americans with disabilities are in the required two year Medicare waiting period before they can become eligible for Medicare due to their disability.<sup>9</sup> Prior to the ACA, many of these individuals had no other affordable options to obtain coverage for needed health care services despite their recognized disability. Under the ACA, they can qualify for Marketplace coverage (with help to make it more affordable if they qualify). In states that have implemented the new adult Medicaid eligibility group, lower-income individuals with disabilities can enroll in Medicaid to help bridge the gap until Medicare coverage begins. Medicaid also helps fill gaps in Medicare coverage after the waiting period ends.

**6. The ACA helps people with disabilities pursue work and educational opportunities.**

Before the ACA, many people with disabilities or preexisting health conditions had no healthcare options unless they fell into extreme poverty. Under the ACA, people with disabilities working in low wage jobs are more likely to have access to coverage through their employer, through Marketplace coverage with tax credits or through the ACA's new adult Medicaid group, which provides access to services that enable them to continue working. The ACA's provision allowing

young adults to remain on their parents' health plan until age 26 also helps give young people with disabilities time to pursue education or find a job.<sup>10</sup>

**7. The ACA makes Medicare more affordable for enrollees.**

The ACA made numerous improvements to Medicare to benefit older adults and people with disabilities. The ACA has already helped 10 million enrollees save nearly \$20 billion out-of-pocket on their Part D medications, and will completely eliminate the Part D coverage gap (also known as the "donut hole") by 2020.<sup>11</sup> The ACA also established free annual wellness visits for Medicare enrollees and eliminated cost sharing for important preventive screenings for older adults like routine colonoscopies and mammograms. More than 39 million Medicare enrollees benefited from free preventive care in 2015.<sup>12</sup>

**8. The ACA strengthens care coordination in Medicare and Medicaid.**

Older adults and persons with disabilities often have complex health care needs that involve a number of different medical providers and settings. The ACA promotes a new team-based "health home" model where a central care management team coordinates between diverse providers and assists individuals to manage their own care. This patient-centered model of care has helped increase care quality and reduce hospitalizations and emergency department visits in several states.<sup>13</sup> The ACA also created a new Medicare-Medicaid Coordination Office (MMCO), charged with improving coordination of benefits for the 11.4 million individuals enrolled in both programs.

**9. The ACA helps protect and extend the Medicare program.**

The ACA relieves financial stress on the Medicare program and extended the solvency of the Medicare Trust Fund by 11 years.<sup>14</sup> The ACA protects the future of Medicare by reducing wasteful spending while ensuring the program maintains all its benefits and takes steps to improve care quality. For example, the ACA saves Medicare \$800 billion through 2025 without affecting benefits enrollees depend on, primarily by reducing overpayments Medicare made to private managed care plans and slowing the growth of provider payments.<sup>15</sup> Also, by covering more individuals age 55-64 and helping control their health conditions early, ACA coverage expansions decrease health care costs for these individuals when they turn 65 and shift to Medicare coverage.<sup>16</sup>

**10. The ACA stabilizes premiums for older adults with private insurance.**

The ACA limits how much an insurance company can vary premiums based on someone's age. Under the law, an older enrollee cannot be charged more than three times the premium paid by a younger enrollee. Prior to the ACA, no such federal limit existed, which priced many older adults out of the individual insurance market.

## ENDNOTES

<sup>1</sup> B. Han et al., *Medicaid Expansion Under the Affordable Care Act: Potential Changes in Receipt of Mental Health Treatment among Low-Income Nonelderly Adults with Serious Mental Illness*, 105 AM. J. PUB. HEALTH 1982 (2015).

<sup>2</sup> Katherine Baiker et al., *The Oregon Experiment – Effects of Medicaid on Clinical Outcomes*, 368 NEW ENG. J. MED. 1713, 1717 (2013).

<sup>3</sup> OFFICE ASSISTANT, SEC'Y FOR PLANNING & EVALUATION, HEALTH INSURANCE COVERAGE FOR AMERICANS WITH PRE-EXISTING CONDITIONS: THE IMPACT OF THE AFFORDABLE CARE ACT, (Jan. 5, 2017).

<sup>4</sup> *Id.*

<sup>5</sup> STEVE EIKEN, TRUVEN HEALTH ANALYTICS, MEDICAID LONG-TERM SERVICES AND SUPPORTS BENEFICIARIES IN 2012, 2 (Sept. 16, 2016.)

<sup>6</sup> Carol V. Irvin et al., MATHEMATICA POLICY RESEARCH, MONEY FOLLOWS THE PERSON 2014 ANNUAL EVALUATION REPORT, 42, 68 (Dec. 18, 2015).

<sup>7</sup> STEVE EIKEN ET AL., TRUVEN HEALTH ANALYTICS, MEDICAID EXPENDITURES FOR LONG-TERM SERVICES AND SUPPORTS (LTSS) IN FY 2014: MANAGED LTSS REACHED 15 PERCENT OF LTSS SPENDING, 30 (Apr. 15, 2016). HCBS funding has likely increased since 2014, but that data is not yet available.

<sup>8</sup> Those states are CA, CT, MD, MT, NY, OR, TX, and WA. Additional states (AR, CO, MN, and WI) have applied or are considering Community First Choice. Joe Caldwell, *State Talk for Seniors: The Affordable Care Act and Long-Term Care*, NAT'L. COUNCIL ON AGING (Dec. 19, 2016), <https://www.ncoa.org/blog/straight-talk-affordable-care-act-long-term-care/>.

<sup>9</sup> *Selected Data from Social Security's Disability Program*, SOC. SEC. ADMIN., <https://www.ssa.gov/oact/STATS/dibStat.html> (last visited Jan. 4, 2017). The total number of SSDI awards in 2014-15 was 1.59 million, though this data may include some duplicates, which translates into roughly 1.5 million people each year in the two year waiting period for Medicare.

<sup>10</sup> NAT'L COUNCIL ON DISABILITIES, THE IMPACT OF THE AFFORDABLE CARE ACT ON PEOPLE WITH DISABILITIES: A 2015 STATUS REPORT 32 (Jan. 26, 2016).

<sup>11</sup> Press Release, Ctrs. for Medicare & Medicaid Servs., More than 10 Million People with Medicare Have Saved over \$20 billion on Prescription Drugs since 2010, (Feb. 8, 2016), <https://www.cms.gov/Newsroom/MediaReleaseDatabase/Press-releases/2016-Press-releases-items/2016-02-08.html>.

<sup>12</sup> *Id.*

<sup>13</sup> MARCI NIELSEN ET AL., PATIENT-CENTERED PRIMARY CARE COLLABORATIVE, THE PATIENT-CENTERED MEDICAL HOME'S IMPACT ON COST AND QUALITY (Feb. 2016), <https://www.pcpcc.org/resource/patient-centered-medical-homes-impact-cost-and-quality-2014-2015>.

<sup>14</sup> BOARDS OF TRUSTEES OF THE FED. HOSPITAL INSURANCE & FED. SUPPLEMENTARY MEDICAL INSURANCE TRUST FUNDS, 2016 ANNUAL REPORT (JUNE 22, 2016).

<sup>15</sup> CONG. BUDGET OFFICE, BUDGETARY AND ECONOMIC EFFECTS OF REPEALING THE AFFORDABLE CARE ACT, 10 (June 2015).

<sup>16</sup> The uninsured rate for adults from 55-64 dropped more than a third between 2013 and 2015. JESSICA C. BARNETT AND MARINA S. VORNOVITSKY, U.S. CENSUS BUREAU, HEALTH INSURANCE COVERAGE IN THE UNITED STATES: 2015, (Sept. 2016), <https://www.census.gov/content/dam/Census/library/publications/2016/demo/p60-257.pdf>.