

The Essential Health Benefits and Access to Affordable Coverage: Focus on Behavioral Health Care

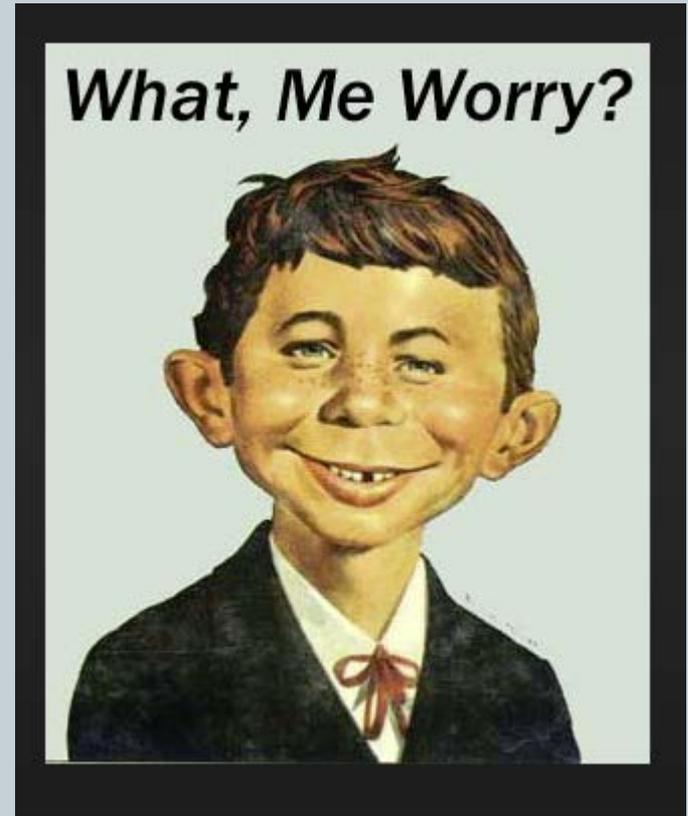


**RICHARD G FRANK
HARVARD UNIVERSITY**

EHB Flexibility



- Continuum of Coverage
- Adverse Selection equilibrium
- Low income populations



History Lesson



2011 Department of Health and Human Services Survey of Individual Market Issuers

- About 65% did not offer maternity coverage in standard policies
- 34% did not offer coverage for treatment of Substance Use Disorders (SUDs)
- 18% did not offer coverage for care of mental illnesses
- When covered M/SUD coverage subject to limits: detox, 30 IP days; 20 OP visits; 50% OP coinsurance



M/SUD Gains



- **Mental Health Parity and Addiction Equity Act, Pub. L. 110-343**
- **Essential Health Benefits include mental health and substance abuse**
- **Parity applies to qualified health plans “in the same manner and to the same extent as such section applies to health insurance issuers and group health plans” (sec. 1311(j))**

Populations with Coverage Affected by MHPAEA and ACA



Group	Policy	Number
Large Insurance Populations	MHPAEA alone	103 million
Small Group Insurance Market	EHB + subsidies + MHPAEA	30 million
Individual Insurance Market	EHB + subsidies + MHPAEA	18 million
Medicaid	MHPAEA + EHB + expansion	23 million
Total		174 million

Surcharge Estimates



- **Mental Illnesses (depression)**
 - Frank estimate: \$9,365
 - CAP estimate \$8,370
- **Drug Dependence**
 - Frank estimate \$9,356
 - CAP estimate \$20,140
- **Maternity**
 - 2011 rider \$5,000
 - CAP surcharge estimate \$17,060