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Half a Million Uninsured California Adults with Mental Health Needs Are Eligible for Health Coverage Expansions

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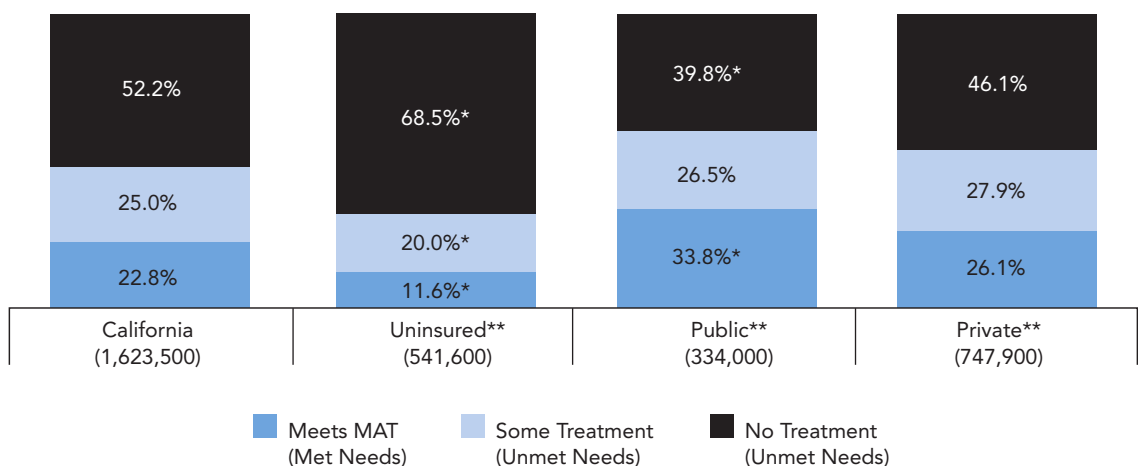
In 2009, an estimated 1.6 million adults ages 18 to 64 in California (5.8%) had mental health needs. These adults reported that they had symptoms consistent with severe psychological distress and that their mental health interfered with their day-to-day functioning.¹ About one-third of these adults with mental health needs also lacked health insurance coverage during all or part of the year—something that is likely to change dramatically with the expansion of coverage through health care reform.

The vast majority of uninsured adults with mental health needs (68.5%) reported receiving no mental health treatment in the past year, a proportion that was significantly higher than it was for adults with mental

health needs who had either public (39.8%) or private (46.1%) insurance coverage all year (Exhibit 1). Additionally, those who lacked health insurance coverage were the least likely to report receiving minimally adequate mental health treatment (MAT) in the past year (11.6%) compared to adults with public coverage (33.8%) or private coverage (26.1%).² Clearly, the lack of health insurance coverage is an important barrier to accessing care for those with mental health needs. Given the low rate of service utilization among uninsured adults with mental health needs, the expansion of health insurance coverage through health care reform could increase access to and utilization of mental health services for many uninsured adults in California.

Exhibit 1

Mental Health Treatment by Insurance Status, Adults 18 to 64 with Mental Health Needs



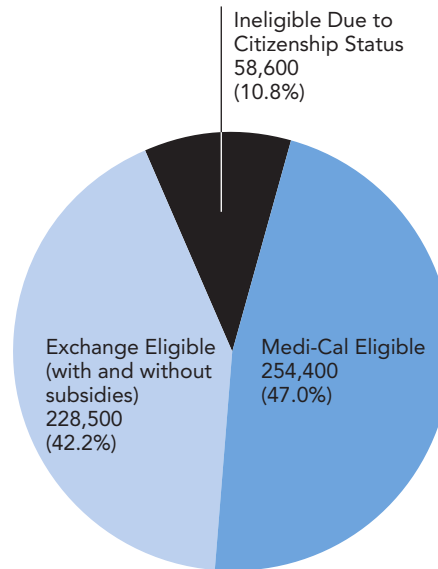
Source: 2009 California Health Interview Survey

* Difference from California is statistically significant at $p < 0.05$.

** Uninsured category includes all or part year. Public and Private categories include coverage all year.

Exhibit 2

Eligibility for ACA Health Insurance Expansions Among Uninsured Adults with Mental Health Needs, Ages 18 to 64; Total Uninsured Adults with Mental Health Needs = 541,600



Note: Numbers may not add up to total due to rounding.

Source: 2009 California Health Interview Survey

The Patient Protection and Affordable Care Act of 2010

The Patient Protection and Affordable Care Act of 2010 (ACA) will extend health insurance coverage to millions of uninsured adults.³ Eligibility to participate in the Medicaid program (Medi-Cal in California) will expand under the ACA to include childless adults with household incomes up to 138% of the Federal Poverty Level (FPL).⁴ Higher-income adults earning more than 133% and up to 400% of the FPL may qualify for federal subsidies to purchase coverage through the California Health Benefit Exchange (Exchange).⁵ All other uninsured adults earning more than 400% of FPL will be able to purchase coverage through the Exchange without subsidies. However, undocumented immigrants will not be eligible to participate in these insurance expansions. Previous research has estimated that approximately two-thirds of the more than 7 million uninsured nonelderly adults and children in California will obtain coverage through the expansion of Medi-Cal or through the Exchange with subsidies

beginning in 2014, and another 1.2 million uninsured adults will obtain coverage through the Exchange without subsidies.⁶

The ACA will also implement the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA), which will provide equitable insurance coverage for substance use and mental health disorders.⁷ The MHPAEA requires any group health insurance plan (with 50 or more insured employees) that includes mental health and substance use disorder benefits to treat these benefits and standard medical and surgical coverage equally in terms of deductibles, co-pays, coinsurance, out-of-pocket maximums, treatment limits, and practices such as prior authorization and utilization review. These services will be part of the essential benefits package, which is a set of health care service categories that must be covered by certain plans, including all insurance policies that will be offered through Medi-Cal and the Exchange.



california
health
interview
survey

This publication contains data from the California Health Interview Survey (CHIS), the nation's largest state health survey. Conducted by the UCLA Center for Health Policy Research, CHIS data give a detailed picture of the health and health care needs of California's large and diverse population. Learn more at: www.chis.ucla.edu

Impact of ACA on Uninsured Adults with Mental Health Needs

Based on the 2009 California Health Interview Survey (CHIS), four out of five uninsured adults with mental health needs, or about half a million people, will become eligible for health insurance coverage in 2014. Among this newly eligible population, 47.0% (254,400) will be newly eligible for Medi-Cal, and 42.2% (228,500) will be eligible for coverage through the Exchange (with and without subsidies). About 11% (58,600) will not be eligible for any coverage due to citizenship status.

Those who will not be eligible for health insurance coverage in 2014 due to citizenship status are nearly all Latino (results not shown). Previous analysis of CHIS 2009 data on the mental health needs of adults in California showed that Latino and Asian immigrants had significantly lower mental health needs than other racial/ethnic groups. However, Latino immigrants with mental health needs are a particularly vulnerable group because they are the least likely of all adult racial/ethnic groups in California to utilize mental health services.¹

While the expansion of coverage is an important and necessary step toward reducing unmet mental health needs among uninsured adults in California, health insurance coverage by itself is not sufficient: About half of adults with both mental health needs and health insurance coverage also reported receiving no treatment (Exhibit 1). These findings suggest that better anti-stigma programs and access to culturally and linguistically appropriate services may help to reduce other barriers to receiving mental health care, and that these issues need to be addressed in conjunction with the implementation of health care reform. Beyond coverage, the ACA may improve mental health outcomes for those currently insured through the Parity Act and may help make more comprehensive and affordable coverage available. Additionally, efforts to extend treatment—such as coordinated and integrated mental health services in primary care—may further benefit those in need.

Such efforts are also important steps toward improving the mental health of California's adult population.

Additional Resources

For additional information on adult mental health needs and mental health treatment, please see the Center report *Adult Mental Health Needs in California: Findings from the 2007 California Health Interview Survey* (<http://www.healthpolicy.ucla.edu/pubs/files/MentalHealthreportnov2011.pdf>).

For additional information on health insurance status and the impact of ACA in California, please see the Center report *The State of Health Insurance in California: Findings from the 2009 California Health Interview Survey* (<http://www.healthpolicy.ucla.edu/pubs/files/shic2009-apr2012.pdf>) and the Center brief *Nine Out of Ten Nonelderly Californians Will Be Insured When the Affordable Care Act Is Fully Implemented* (http://www.healthpolicy.ucla.edu/pubs/files/calsim_Exchange1.pdf).

Additional information on health care reform can be found at <http://www.healthcare.gov/> for national information and at <http://www.healthcare.ca.gov> for California information.

Additional information on the Mental Health Parity and Addiction Equity Act (MHPAEA) can be found at <http://www.sambsa.gov/healthreform/parity/>.

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Endnotes

- 1 Grant D, Padilla-Frausto DI, Aydin M, Streja L, Aguilar-Gaxiola S, Caldwell J. *Adult Mental Health in California: Findings from the 2007 California Health Interview Survey*. Los Angeles, CA: UCLA Center for Health Policy Research, 2011.
- 2 Minimally adequate treatment (MAT) is a clinically based threshold of four or more visits to a health professional (including mental health) plus prescription medication for a mental health condition. For more information on MAT, see: Wang PS, Demler O, Kessler RC. Adequacy of treatment for serious mental illness in the United States. *American Journal of Public Health* (2002) 92: 92-98.
- 3 President Obama signed the Affordable Care Act, P.L. 111-148, on March 23, 2010.
- 4 The ACA provides coverage up to 133% of FPL, plus a 5% income disregard to effectively cover those with incomes up to 138% of FPL.
- 5 Provided that they have no health insurance accessible through work or that the coverage offered is unaffordable according to ACA statute.
- 6 Lavarreda SA, Cabezas L, Jacobs K, Roby DH, Pourat N, Kominski GF. *The State of Health Insurance in California: Findings from the 2009 California Health Interview Survey*. Los Angeles, CA: UCLA Center for Health Policy Research, 2012.
- 7 Obama Administration Issues Rules Requiring Parity in Treatment of Mental, Substance Use Disorders. U.S. Department of Health and Human Services. News release, January 29, 2010.