What the New Health Care Reform Law Means for You

Learn about key provisions that benefit practicing psychologists and consumers of psychological services.

**An Overview**

According to the Congressional Budget Office, PPACA expands coverage to 32 million more Americans while lowering health care costs over the long term. This new coverage mainly comes in the form of expansion of Medicaid and enhanced federal support for the Children’s Health Insurance Program (CHIP), and through establishment of state-based Health Insurance Exchanges where health plans will be offered primarily to individuals and small businesses. U.S. citizens and legal residents are required to have qualifying health coverage or pay a tax penalty. Employers also have new requirements to cover their employees or allow them to participate in Exchange plans. Psychologists and other providers will negotiate payment rates with Exchange plans, just as payments are negotiated with plans in the private market.

**PPACA provides for a number of insurance market reforms that protect consumers and health care providers from inappropriate health plan practices.**

PPACA provides for a number of insurance market reforms that protect consumers and health care providers from inappropriate health plan practices. These include:

- prohibiting health plans from establishing lifetime or annual dollar limits
- prohibiting plans from rescinding coverage (except for enrollee fraud)
- prohibiting preexisting condition exclusions
- guaranteeing coverage acceptance and renewal
- requiring plans to have an effective appeals process for coverage determinations

The historic Patient Protection and Affordable Care Act (PPACA), the health care reform law enacted in March 2010, resulted from months of intense congressional activity. Throughout the legislative process, the American Psychological Association Practice Organization (APAPO) worked to preserve psychologist practice and payment while seeking new opportunities for practicing psychologists in the health care system.

Our legislative advocacy efforts have preserved Medicare psychotherapy payments for psychologists, protected traditional psychological practice, and opened up new opportunities for psychologists in the private health care system and in public health programs, such as Medicare and Medicaid.

This article provides a brief overview of what the new health reform law does and some of the key provisions that benefit practicing psychologists and consumers of psychological services.
• establishing premium rating requirements
• establishing state consumer health insurance assistance offices, and
• prohibiting participant and provider discrimination
APAPO has been a leading advocate for insurance market reforms for nearly two decades and is pleased that many reforms are now federal law.

Practicing psychologists will continue to provide services in the employer-based system but will also have opportunities to participate in new primary and preventive care initiatives.

While PPACA preserves employer-based health coverage, the new law seeks to transform the underlying health system from one that reacts to health problems as they arise to one that focuses on addressing the health and needs of the whole patient through initiatives that promote primary and integrated care, improve quality and emphasize prevention. Practicing psychologists will continue to provide services in the employer-based system as they do today, but will also have opportunities to participate in new primary and preventive care initiatives.

Key Provisions

• Preserving Medicare Payment for Psychologists — PPACA extends the Medicare mental health services restoration payment of 5 percent through December 31, 2010 for psychotherapy services (section 3107). In 2007, the Centers for Medicare and Medicaid Services (CMS) reduced Medicare Part B reimbursement for mental health services in a “five-year review” rule. Congress substantially restored these payments through the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA), but this restoration expired on December 31, 2009. The new health care reform law restores this payment retroactively to January 1, 2010.

• Ensuring Mandatory Mental Health Coverage at Parity — PPACA requires that mental health and substance use disorder services are a part of the essential benefits package that all qualified health plans provide through state Health Benefits Exchanges (section 1302, as modified by section 10104). Such plans will have to provide mental health and substance use benefits at parity with medical/surgical benefits (section 1311).

• New Opportunities in Primary and Integrated Care — PPACA establishes and funds a number of new initiatives that promote primary and integrated care. For example:
  o Psychologists may participate in community interdisciplinary, interprofessional health teams that promote primary care practices (section 3502, as modified by section 10321). Through this Health and Human Services (HHS) grant program, these health teams will support primary care providers and patient-centered medical homes.
  o Psychologists may be part of consortia of health providers who deliver comprehensive and integrated care services for low-income populations (section 10333). This HHS grant program will seek in particular those consortia with networks to provide the broadest range of services to low-income individuals.
  o Psychologists may fully participate in health homes as part of health teams or designated providers of health home services in a new state option under Medicaid to provide services to individuals who have at least two chronic conditions, one chronic condition and are at risk of having a second, or one serious and persistent mental health condition (section 2703).

• A new Center for Medicare and Medicaid Innovation will test innovative payment and service delivery models to reduce program costs while preserving or enhancing quality of care furnished to individuals (section 3021, as modified by section 10306). Among the host of models that this new innovation center will test are: patient-centered medical homes; direct

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contracting with groups of providers to promote innovative delivery service models; geriatric plans to coordinate care for individuals with multiple chronic conditions, including cognitive impairment or dementia; community-based health teams to support small-practice medical homes to assist primary care practitioners in chronic care management; promoting access to outpatient services without physician referral where the provider (such as a psychologist) has authority to furnish such services under state law; and utilizing, particularly in entities located in underserved areas, telehealth services in treating behavioral health issues, for example, related to post-traumatic stress disorder and stroke.

- **New Medicaid Mental Health Mandated Benefits and Parity Requirements** — Mental health services must now be included as basic services in Medicaid benchmark equivalent plans provided by states to Medicaid beneficiaries. And beginning January 1, 2014, all state benchmark and benchmark-equivalent coverage must comply with the essential benefits package required for plans in the state Health Benefits Exchanges (section 2001, as modified by section 10201). PPACA also requires that all benchmark and benchmark equivalent state Medicaid plans must comply with the federal parity law, the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act (MHPAEA).

APAPO fought to include mental health services as part of state benchmark and benchmark equivalent plans when these plans were introduced in the Deficit Reduction Act of 2005. With PPACA, mental health services are no longer optional services and, building on the landmark MHPAEA law, they also must now be provided at parity with medical/surgical services.

- **A National Focus on Prevention** — PPACA establishes a National Prevention, Health Promotion and Public Health Council to develop a national prevention, health promotion and public health strategy (section 4001, as modified by section 10401) and a fund to provide for expanded and sustained national investment in prevention and public health programs (section 4002). Various provisions in the new law provide for coverage of preventive health services and prohibit cost sharing for such services, and also encourage community-based activities and public health innovation. Mental health and substance use services are included along with other health services in this new national prevention strategy.

- **Provider Nondiscrimination** — Health plans may no longer discriminate against psychologists and other health providers with respect to plan participation (section 1201, as adding section 2706 to the Public Health Service Act). While this provision does not require a health plan to contract with every available health care provider, it does prevent health plans from excluding an entire type of provider from its network. APAPO has worked for many years with other non-physician advocacy organizations for this provider protection and is pleased that it is now federal law through PPACA.

![Help consumers find you.](image)