
Summary of Behavioral Health Provisions in The Patient Protection and Affordable Care Act (PPACA) (Public Laws 111-148, 111-152)

EXECUTIVE SUMMARY:

In March 2010 President Barack Obama signed into law *The Patient Protection and Affordable Care Act* (P.L.111-148, P.L.111-152). The law includes provisions that will **affect those with psychiatric and substance use disorders**. The reform legislation came as the House first voted 219-212 on H.R.3590 to approve the Senate's health reform package. The budget reconciliation measure with final changes to the reform law (H.R. 4872) was approved with a House vote of 220-207 and a Senate vote of 56-43 – which completed legislative action on healthcare reform. The new law:

- Extends **health coverage to 32 million Americans**, promoting health and wellness nationwide.
- Creates **mechanisms to improve competition and choice in the insurance marketplace** as well as **reduce administrative burdens**.
- Specifically includes **mental health and substance abuse parity benefits in the essential benefit package to be offered through new healthcare exchanges for small businesses and the individual market**, which is clear recognition that behavioral health is integral to overall health. (effective date: 2014)
- Clears the way for a **program to demonstrate the value of providing Medicaid funds for patients ages 21–64 in freestanding psychiatric hospitals** to address a longstanding problem in accessing emergency psychiatric care.
- **Requires quality reporting for psychiatric hospitals**
- Establishes a **pay-for-performance pilot program for psychiatric hospitals**
- Establishes **Centers of Excellence for depression through grants**
- **Reduces psychiatric hospital payments**
- **Reduces market basket updates and incorporates productivity improvements**
- Includes a provision to **reduce fraud, waste, and abuse in community mental health centers**
- **Co-locates primary and specialty care in community-based mental health settings**
- **State option to provide health homes for chronic care patients.**

ANALYSIS:

Medicaid Emergency Psychiatric Demonstration Project (Subtitle I--Section 2707)

The **Medicaid Emergency Psychiatric Demonstration Project** [Institution for Mental Disease (IMD)/ Emergency Medical Treatment and Active Labor Act (EMTALA)] is a critical provision that has been a top priority for NAPHS. It expands the number of emergency inpatient psychiatric care beds available in communities by establishing a **three-year, \$75 million demonstration project** allowing states to cover patients in **private freestanding psychiatric hospitals**. The law sets up a demonstration project that allows states to apply to the Health and Human Services (HHS) Secretary to receive federal Medicaid matching payments for **patients ages 21 through 64**. The intent is to demonstrate that covering patients in these hospitals will improve timely access to emergency psychiatric care, reduce the burden on overcrowded emergency rooms, and improve the efficiency and cost-effectiveness of inpatient psychiatric care. The **funds will start in fiscal year 2011 (October 1, 2010) and remain available until December 31, 2015**.

Reduces market basket for psychiatric hospitals (Section 10319)

and

Incorporates productivity improvements [Section 3401(f)]

Reductions in the market basket for psychiatric hospitals and the **implementation of a productivity adjustment** will occur on the timetable outlined in the following table. NOTE: Rate years (RY) for psychiatric hospitals begin July 1 each year.

WHEN	RATE YEAR	MARKET BASKET	PRODUCTIVITY ADJUSTMENT
Beginning 7/1/10	RY11	-0.25%	N/A
Beginning 7/1/11	RY12	-0.25%	N/A
Beginning 7/1/12	RY13	-0.20%	-1% (estimated—unknown)
Beginning 7/1/13	RY14	-0.20%	-1% (estimated—unknown)
Beginning 7/1/14	RY15	-0.50%	-1% (estimated—unknown)
Beginning 7/1/15	RY16	-0.40%	-1% (estimated—unknown)
Beginning 7/1/16	RY17	-0.40%	-1% (estimated—unknown)
Beginning 7/1/17	RY18	-0.95%	-1% (estimated—unknown)
Beginning 7/1/18	RY19	-0.95%	-1% (estimated—unknown)
Beginning 7/1/19	RY20	-0.95%	-1% (estimated—unknown)

Pilot testing pay-for-performance programs for Medicare psychiatric hospitals and psychiatric units (Section 10326)

The HHS Secretary will implement a **value-based purchasing program** for payments to psychiatric hospitals and psychiatric units **beginning no later than January 1, 2016**.

Quality reporting for psychiatric hospitals (Section 10322)

Beginning July 1, 2013 (RY14) psychiatric hospitals or psychiatric units that do not submit data to the HHS Secretary will be **reduced by 2 percentage points** except in the case of a

specified area or medical topic determined appropriate by the Secretary as long as consideration is given to measures that have been **endorsed by a consensus organization** identified by the Secretary. **No later than October 1, 2012**, the Secretary will publish the measures selected that will be applicable with **respect to RY14** (beginning July 1, 2013). The Secretary shall **establish procedures for making data submitted** available to the public. Psychiatric hospitals and psychiatric units have the opportunity to review the data that is to be made public with respect to the hospital or unit **prior to the data being made public**. The Secretary will **report quality measures that relate to services furnished in inpatient settings in psychiatric hospitals and psychiatric units on the Centers for Medicare and Medicaid Services (CMS) Web site**.

Centers of Excellence for Depression (Sections 10410, 520B)

The law **establishes Centers of Excellence for Depression**. The HHS Secretary, acting through the **CMS Administrator**, will **award grants to institutions of higher education or a public or private nonprofit research institution** that engage in activities related to the treatment of depressive disorders. **If the funds are appropriated**, the Secretary can establish no more than 30 Centers by September 30, 2016. Each grant will be for a period of five years. An application must include evidence that the entity provides, or is capable of coordinating with other entities to provide, comprehensive health services with a focus on mental health services and expertise for depressive disorder, and that the entity is capable of training health professionals about mental health. The **coordinating Center of Excellence will establish and maintain a national, publicly available database to improve prevention programs, evidence-based interventions, and disease management programs for depressive disorders, using data collected from the Centers**.

Reducing fraud, waste, and abuse: Community mental health centers (Section 1301)

The law establishes new requirements for community mental health centers that provide Medicare partial hospitalization services. The law **strengthens standards for community mental health centers and increases funding for anti-fraud activities**. The effective date is 2011.

Co-locates primary and specialty care in community-based mental health settings (Sections 5604, 520K)

The HHS Secretary, acting through the CMS Administrator, shall award grants and cooperative agreements to eligible entities to **establish demonstration projects for coordinated and integrated services to special populations**. The grants are **authorized at \$50,000,000 starting in 2010**.

State option to provide health home (Section 2703)

The law provides a state option of a health home to eligible individuals with chronic conditions who select a designated provider, a team of healthcare professionals operating with that provider, or a health team. The health homes would provide a comprehensive set of medical services, including care coordination.

Support, education, and research for postpartum depression (Section 2952)

Provides support services (such as screening to women suffering from postpartum depression and psychosis) and also helps educate mothers and their families about these conditions. Provides support for research into the causes, diagnoses, and treatments of postpartum depression and psychosis.

Five percent temporary increase in payment for professional mental health services

For 2010, Medicare will increase payment for psychotherapy services by 5 percent. This is an extension of the same "bump" for part of 2008 and all of 2009 that expired on January 1, 2010.