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Does Obamacare Hinder or Help Addiction Treatment?

By Michael P. Tremoglie

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NEW YORK When the Affordable Care Act (ACA), commonly known as Obamacare, was implemented the White House said all health insurance, sold on Health Insurance Exchanges or provided by Medicaid, to certain newly eligible adults starting in 2014, must include services for substance use disorders.

Last November, the federal government enacted rules that would ensure that substance abuse benefits would be on par with other coverages. Obamacare applied the rules of the 2008 Mental Health Parity and Addiction Equity Act to Obamacare plans. It also expanded eligibility for mental health and addiction benefits.

The National Association of Addiction Professionals favors the ACA. It urges that enroll because, according to them "making sure that individuals with mental health and substance use needs have access to health insurance coverage is a critical priority for NAADAC and for the Substance Abuse Mental Health Services Administration (SAMHSA). The Affordable Care Act offers a major opportunity for persons with substance use disorders to access quality health insurance."

Do these expansions create a pool of patients that the substance abuse field is unprepared to accommodate? Do the costs of substance abuse treatment become an additional burden to the taxpayer? Are the increase costs of substance abuse treatment reflected in the insurance premiums?

It seems to make access worse, because it will increase the number of insured addicts but not the number of doctors available to treat them - nor the amount of time available for doctors to see them.

"These are criticisms based in some facts, but I have difficulty with any sort of premise that lumps all persons with addiction together or categories them as 'a burden on the taxpayers,'" said Michael M. Miller, M.D., medical director of Herrington Recovery Center in Wisconsin and a past president of the American Society of Addiction Medicine. "This stigmatizes them." He pointed out that Obama care built upon the Parity legislation signed by President Bush. The ACA, he noted, extended the provisions of the 2008 Mental Health Parity and Addiction Equity Act to remove exemptions to small insurance plans and to some government plans.

"Swiss cheese plans will not be able to be sold in the future world," he said, referring to health plans with holes in their benefits to leave out coverage for the treatment of addiction and psychiatric care.

Miller explained that addiction care would be integrated into primary care under Obamacare.

Instead there would be "an inch deep and mile wide approach." There would not be the situation where everybody is going to the specialized treatment system.

"We do not have the workforce that could meet that much specialty treatment demand," said Miller.

But he said that addiction treatment has changed under Obamacare. Now you have a huge number of people who are dependents on their parents' plan and can get treatment.

"The median age of patients in addiction treatment programs has gone way down," Miller said. "There have definitely been demographic shifts."

But Michael Tanner, a senior fellow for healthcare policy research at the Cato Institute believes otherwise. He thinks that these criticisms are valid and pose a problem.

"This is a general problem with Obamacare and does not necessarily apply only to addiction," he observed. "You are either going to make treatment more expensive or harder to get into treatment. While for individuals who are able to get treatment this will certainly help them. But it will hurt the general population of those seeking treatment."

Tanner said that it does not take an economist to know that the costs will increase. Because as demand increases without an increase in supply, the price will go up.

"This drives up treatment cost for everybody," he emphasized. "Substance abuse is one the most expensive benefit there is behind mental health treatment."

He also believes that there probably will be an indirect cost. This will be an issue with Medicaid expansion.

"Medicaid expansion will be primarily for childless single men," he said. "Women and kids already receive Medicaid benefits. So those enrolling now will be single, childless men. These people tend to be disproportionately mentally ill or drug addicted. The increased costs there will be borne by the taxpayer."

But according to the National Association of Addiction Treatment Providers (NAATP), right now, it is unknown what the effect of the Parity Act provisions of Obamacare will do because they have not been implemented yet. There are many loopholes that NAATP is noticing.

One of the loopholes they have found is that the definition of medical necessity is not clearly defined. This is causing a lot of denial of treatment. But the bigger issue for NAATP is that substance abuse disorder treatments are not covered by many insurers because of waivers from the ACA mandate that they have been permitted.