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The Affordable Care Act: Implications for Adolescents and Young Adults

Overview

The 2010 Affordable Care Act (ACA) expands health insurance coverage for adolescents and young adults, increases access to comprehensive benefits, places greater emphasis on prevention and wellness, and improves training and compensation for providers who serve this population. The health care needs of adolescents differ from those of adults and young children. Although adolescents and young adults generally are healthy, access to health care, including preventive care and health education, is important to continued health through their lives. Unhealthy habits may develop in these transition years and lead to chronic conditions later in life. In addition, the early signs of mental illness usually appear in early adolescence, and this age group typically is engaged in high-risk activities—such as driving—that put them at risk for injuries.

Key Federal Provisions

Expanding Access to Insurance Coverage

The ACA increases access to health care services for adolescents and young adults by expanding both private and public insurance options. The act also expands access to particularly vulnerable populations, such as young people who are aging out of the foster care system.

Private Insurance. The ACA includes provisions related to both individual policies and employer-based group plans; some provisions pertain specifically to adolescents and young adults, while others are relevant and affect other age groups as well. Effective in 2010, the act prohibited insurance companies from excluding children (through age 18) from coverage based on pre-existing conditions. The act also extended dependent coverage under a parent's policy for young adults up to age 26.

In 2014, young adults under age 30 will have the option to purchase a limited "catastrophic" benefit package to satisfy the requirement that all individuals and families must have insurance coverage for themselves and their dependents, or pay penalties, beginning Jan. 1, 2014. This catastrophic option includes high deductibles but still covers preventive services and three primary care visits. It may appeal to the so-called "young invincibles" who are healthy and unwilling to pay high prices for health insurance, but who will benefit from preventive screenings and primary care services.

By 2014, a state-based insurance exchange must be established by the state or the federal government. The exchange provides a marketplace where individuals can purchase health insurance policies that, for low-income families, may be subsidized. This will increase access to and options for health care for the general population, including adolescents and young adults.

Medicaid. By 2014, states must expand Medicaid to cover all people with incomes below 133 percent of federal poverty guidelines, which will include not only adolescents in families with incomes below this threshold, but also independent young adults who previously would not have been eligible for the program. Increased federal matching funds also are available for newly eligible people. States have the option of implementing this provision at any time before the deadline, although they cannot receive the increased federal match rate until 2014. The ACA requires states to maintain March 2010 eligibility levels in their Medicaid and Children's Health Insurance Programs through 2019. In addition, beginning in 2014, states must provide Medicaid coverage for youth who are aging out of foster care until they reach age 26. Beginning in 2014, the ACA also requires states to conduct outreach to vulnerable and underserved populations and enroll eligible individuals in Medicaid and CHIP.

Improving Access to Comprehensive Benefits

Provisions in the ACA aim to make comprehensive benefits available for adolescents and young adults, whether they are covered by public or private insur-

ance. Some provisions are specific to adolescents and young adults; others concern the general population and will benefit adolescents and young adults as well.
Private Insurance. The ACA requires establishment of an "essential benefit package" for private health plans offered through exchanges, beginning in 2014. The details of the wide range of comprehensive services the package must include will be determined through regulations. Beginning in 2010, new private health plans also must cover select preventive services without cost-sharing requirements; this provision applies to all health plans beginning in 2018.

Medicaid. The ACA allows newly eligible adolescents and young adults under age 21 to receive the full range of Medicaid benefits when they gain coverage in or before 2014. It extends Early and Periodic Screening, Diagnosis and Treatment (EPSDT) services to all Medicaid beneficiaries under age 21. Previously, most non-parenting young adults age 19 or 20 would have been ineligible for Medicaid and thus unable to receive EPSDT services. Similar to maintaining eligibility requirements, states also must preserve their March 2010 benefit packages and cost-sharing protections in CHIP through 2019.

Beginning in 2010, the ACA allows states to expand Medicaid family planning services to additional populations through a simplified state plan amendment rather than a more complicated Medicaid waiver.

Emphasizing Prevention and Wellness

The ACA outlines diverse prevention and wellness provisions that affect adolescents and young adults directly and indirectly, including the following highlights.

- Establishes the Personal Responsibility Education Program (PREP), which awards $75 million annually in state grants for fiscal years 2010-2014. To receive funding, programs must educate adolescents on how to prevent pregnancy and sexually transmitted infections and emphasize both abstinence and contraception as strategies. Programs also must cover adulthood preparation topics such as healthy relationships, financial literacy, and education and employment skills. As of September 2010, 43 states, the District of Columbia, Puerto Rico and Micronesia received PREP funds.
- Reinstates the Title V abstinence education grant program, awarding $50 million annually to states for fiscal years 2010-2014. Title V programs emphasize abstinence education and mentoring, counseling and adult supervision programs. State matching funds are required; states have more flexibility in implementing these programs than past iterations of the grants. Twenty-nine states and Puerto Rico received nearly $33.5 million in grants for abstinence education in 2010.
- Establishes the Pregnancy Assistance Fund, a competitive state grant program that provides $25 million annually for fiscal years 2010-2019. The program offers pregnant and parenting teens and women support services to help them complete educational degrees and obtain access to health care, family housing and other essential supports.
- Appropriates $25 million to fund a program to combat childhood obesity.
- Requires chain restaurants to provide nutritional content of the food they serve; final rules are expected for this provision at the end of 2011.

Training and Compensation for Providers

Provisions in the ACA aim to improve training and compensation for health care providers, which will affect all individuals, including adolescents and young adults. Timelines vary, but provisions include increasing Medicaid payments for primary care physicians to 100 percent of Medicare rates, increasing the number of graduate medical education positions, establishing teaching health centers and supporting training programs.

State Roles in Implementation

States are responsible for implementing most of the changes required under the ACA. While many of these changes expand health insurance coverage and increase access to benefits nationwide, they offer additional benefits for adolescents and young adults. To date, 143 bills in 43 states have been enacted related to the ACA. This legislation addresses topics such as insurance reform, health benefit exchanges, Medicaid, ACA alternatives and objections, workforce/provider shortages, authorization, planning, and funding. For updated information on state implementation activities, visit http://www.ncsl.org/?TabId=22123.

Resources

National Conference of State Legislatures, "Teen Pregnancy Prevention—Federal Funding" (Denver, NCSL, July 2011); http://www.ncsl.org/default.aspx?TabId=23141#Federal_Funding.

Abigail English, The Patient Protection and Affordable Care Act of 2010: How Does it Help Adolescents and Young Adults? (Chapel Hill, N.C.: Center for Adolescent Health and the Law; and San Francisco, Calif.: National Adolescent Health Information and Innovation Center, 2010).

For more details about various aspects of the ACA, see other publications from NCSL's Brief Series: States Implement Health Reform, including:

- The Affordable Care Act: A Brief Summary http://www.ncsl.org/portals/1/documents/health/HRACA.pdf
- Medicaid and the Affordable Care Act http://www.ncsl.org/documents/health/HRMedicaid.pdf
- Prevention and Wellness Provisions http://www.ncsl.org/documents/health/HRWellness.pdf

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