Mental illness, like any health problem, can disrupt the ability to work. Many people with mental illness can only work part time, intermittently, or for low wages. For people with access to mental health care, disruptions to the ability to work are often short term, allowing them to return to their jobs and former productivity levels quickly. But people who cannot afford treatment, whose treatment is not quickly or fully effective, or whose illness often recurs may lose their jobs, leading to long-term disability and unemployment.

Evidence-based supported employment (SE) can help such people find and maintain employment. SE is a strategy for helping people with disabilities get and keep a job of their choosing, with professional support. But not everyone has access to these services. To help fill this gap, the Office of the Assistant Secretary for Planning and Evaluation engaged Mathematica Policy Research to examine certain provisions of the Affordable Care Act of 2010 (ACA) relevant to SE. These provisions extend access to health insurance and coverage of services for people with mental health conditions. They also provide more funding options for employment support for these individuals.

**MEDICAID EXPANSION**

Medicaid is a primary funder of mental health services in the United States. Before the ACA was enacted, people with mental illness generally qualified for Medicaid based on their disability—that is, their inability to work. The ACA now provides federal funding for the 29 states (including the District of Columbia) that opened Medicaid up to people with incomes below 138 percent of the federal poverty level, regardless of their disability or parental status.

The ACA requires states to provide certain benefits to these new Medicaid recipients. The benefits, which must cover a full range of essential health needs, include rehabilitative and habilitative support as well as services for mental health and substance use disorders. States can also enroll newly eligible adults into the states’ standard Medicaid managed care plans (if the plans meet certain requirements). In addition, states can cover SE services, although they are not required to. Access to health coverage through Medicaid can make it easier for recipients with mental health disorders to maintain their health and employment.

**MEDICAID ENHANCEMENTS**

Besides expanding access to Medicaid, the ACA enhanced some existing Medicaid options that can help people with mental illness find and maintain a job. For example, it adjusted the Medicaid section 1915(i) state plan option to make it more flexible for states wishing to provide employment and other community-based services to people with mental illness. Section
LOOKING AHEAD

The ACA contains many important provisions to expand health coverage to people with mental illness. Before the ACA, many of these individuals could only get coverage by qualifying for Social Security benefits on the basis of disability—by proving they could not work. Although people who receive these benefits usually qualify for Medicare or Medicaid eventually, people who earn more than a set amount may lose their Social Security benefits and, along with them, their health coverage. As a result, beneficiaries with mental illness and other disabilities may work less (and earn less) than they otherwise would in order to keep their coverage. The ACA helps reduce this disincentive to work.

Although the ACA is likely to expand access to health care services by breaking the link between Social Security benefits and medical coverage, we do not yet know whether it will increase employment services for people with mental illness. It’s unclear how much state Medicaid programs will expand their programs to provide employment supports to these individuals. Also unknown is the extent to which private health plans will cover these supports. Still, by opening the door to better health coverage, the ACA could help pave the way to steady employment for more people with mental illness.

Main ACA provisions that help people with mental illness or substance use disorders get and keep jobs

- Requires states to cover services for mental health and substance use disorders for new Medicaid recipients
- Allows states to provide SE services for new Medicaid recipients
- Adds flexibility to the Medicaid section 1915(i) state plan option so that states can:
  - Provide additional types of services, including employment and other community-based services, to people with mental illness
  - Tailor a 1915(i) benefit package specifically for people with mental illness to include evidence-based SE
- Expands access to private coverage through the health insurance exchanges
- Allows young adults to remain on their parents’ employer-based or individual health plan until age 26