



Tobacco Cessation Treatment and Medicaid in the Affordable Care Act

The Affordable Care Act (ACA) made several major changes to the Medicaid system, which is a joint federal and state program that provides healthcare coverage to low-income Americans. Some of these changes will impact smokers in Medicaid who want to quit.

Tobacco Cessation Coverage for Current Medicaid Enrollees

Medicaid pays for more than 4 in 10 births in the U.S.¹ Smoking during pregnancy can cause major health complications for mother and baby – as well as extra costs for taxpayers. It is crucial to provide pregnant women on Medicaid with the help they need to quit smoking, and the ACA recognizes this. As of October 1, 2010, the ACA requires all Medicaid programs to cover a comprehensive tobacco cessation benefit for pregnant women.²

Medicaid enrollees smoke at a rate that is 50 percent higher than the general population.

Until 2014, coverage of tobacco cessation treatment for all other adults enrolled in Medicaid is still optional for states. On January 1, 2014, the ACA prescription and over-the-counter tobacco cessation medications will no longer be optional for states that provide prescription drug plans to Medicaid enrollees.³ This small provision, which goes into effect January 1, 2014, could have a major impact on smokers, if the Department of Health and Human Services (HHS) implements it comprehensively. HHS must make it clear to states that this requirement includes all seven FDA-approved tobacco cessation medications, and that these medications need to be incorporated into Medicaid formularies. Also, this requirement must extend to all Medicaid plans, including managed care plans.

The Essential Health Benefit and the 2014 Medicaid Expansion

The ACA makes major changes to Medicaid eligibility, starting in 2014. As of January 1, 2014, everyone with annual income of 133 percent of the federal poverty line⁴ or below will be eligible for Medicaid. In some states, this will greatly increase the number of adults eligible for Medicaid – particularly childless adults. The federal government will pay for 100 percent of this new coverage for several years.

In June 2012 the U.S. Supreme Court ruled that the HHS Secretary would not be able to withhold all federal Medicaid funds if a state refuses to expand Medicaid in 2014 as the ACA stipulates. Since the ruling, some governors have indicated their states will not go through with the Medicaid expansion. Medicaid expansion is one of the major ways the ACA decreases the numbers of uninsured in this country. If states refuse to implement this provision, they are failing to help some of their most vulnerable citizens.

The ACA also requires that Medicaid coverage for newly eligible enrollees must include an Essential Health Benefit. In a letter released in November 2012, HHS indicated it would allow states to choose a benchmark plan to implement a statewide Essential Health Benefit standard. By taking this approach, HHS will miss an important opportunity to create a minimum federal standard of coverage for Medicaid enrollees, including a comprehensive tobacco cessation benefit.

¹ Kaiser Family Foundation. "State Medicaid Coverage of Perinatal Services: Summary of State Survey Findings." November, 2009. Available at: <http://www.kff.org/womenshealth/upload/8014.pdf>

² See Sec. 4107 of the Affordable Care Act, available at: <http://www.gpo.gov/fdsys/pkg/BILLS-111hr3590enr/pdf/BILLS-111hr3590enr.pdf>

³ See Sec. 2502 of the Affordable Care Act.

⁴ See <http://aspe.hhs.gov/poverty/> for information about the federal poverty line.