



## Tobacco Cessation Coverage: Medicaid Expansion

### What is Medicaid Expansion?

The Affordable Care Act (ACA) gives states the option of expanding their standard Medicaid program to cover all individuals up to 138 percent of the Federal Poverty Level (FPL) or \$16,643<sup>1</sup> for an individual and \$33,948 for a family of four. Medicaid expansion is optional for states (as established in *National Federation of Independent Businesses v. Sebelius*). Medicaid expansion is funded jointly by the federal government and states, with the federal government paying for approximately 90 percent of the program. As of November 2017, only 32 states including the District of Columbia have expanded their Medicaid program and 19 states do not provide coverage for this population. For an up-to-date list of states that expanded Medicaid, please see this map.

### Tobacco Cessation and Medicaid Expansion:

The Medicaid expansion population is more likely than others to have been uninsured before the ACA went into effect and is more likely to smoke than their privately insured counterparts at 27.4 percent (as an uninsured population) compared to 11.1 percent<sup>2</sup>.

States that have expanded Medicaid have generally done so in one of three ways:

1. By extending traditional Medicaid coverage to the expansion Medicaid population;
2. By creating a benefit package that is not aligned with the state's traditional Medicaid state plan and using managed care or a separate fee-for-service program for the expansion population; or
3. By providing subsidies to this population that are used to purchase coverage offered in the state or federally-facilitated marketplace created by the Affordable Care Act

The ACA requires Medicaid expansion plans to cover a minimum set of benefits: the Essential Health Benefits (EHB). Preventive services are one of the 10 EHB's and are required to be covered without cost sharing. The ACA requires plans to cover any service or treatment given an "A" or "B" by the United States Preventative Services Task force (USPSTF). Tobacco cessation has an "A" grade so

regardless of how a state expanded Medicaid, enrollees are still required to have access to cessation treatment without cost-sharing. In May of 2014, the Departments of Labor, Treasury, and Health and Human Services issued an FAQ guidance on what should be covered for tobacco cessation.

### The FAQ Guidance<sup>3</sup> defined a comprehensive tobacco cessation benefit as one which includes:

1. Screening for tobacco use,
2. At least two quit attempts per year, consisting of:
  - a. Four sessions of telephone, individual and group cessation counseling lasting at least 10 minutes each per quit attempt; and
  - b. All medications approved by the FDA as safe and effective for smoking cessation, for 90 days per quit attempt, when prescribed by a health care provider<sup>4</sup>.

The guidance also reiterates that plans must not include cost-sharing for these treatments, and that plans should not require prior authorization for any of these treatments.

### What does this mean?

- Based on the ACA and the FAQ guidance, plans sold on the exchange must cover a comprehensive tobacco cessation benefit – all seven medications and all three forms of counseling.
- Plans cannot impose cost-sharing (including co-pays, co-insurance or deductible) or prior authorization.
- Plans must cover at least two quit attempts per year and not limit treatment to under 90 days.

### Comprehensive Cessation Benefit: Seven Medications:

NRT Gum (OTC)\* | NRT Patch (OTC)  
NRT Lozenge (OTC) | NRT Inhaler | NRT Nasal Spray  
Bupropion / Zyban | Varenicline (Chantix)

### Three Forms of Counseling: Individual | Group | Phone

<sup>1</sup> In 2017, 138 percent FPL is \$16,643 for an individual and \$33,948 for a family of four.

<sup>2</sup> <https://www.cdc.gov/mmwr/volumes/65/wr/mm6544a2.htm>

<sup>3</sup> [https://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/aca\\_implementation\\_faqs19.html](https://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/aca_implementation_faqs19.html)

<sup>4</sup> <http://www.lung.org/assets/documents/tobacco/tobacco-cessation-preventive-service.pdf>

\*Over the Counter or OTC; meaning a patient does not need a prescription to purchase the medication. However, in order for the health plan to cover the cost a prescription must be written, even for OTC medications.