



How Medicaid Helps People with Substance Use Disorders

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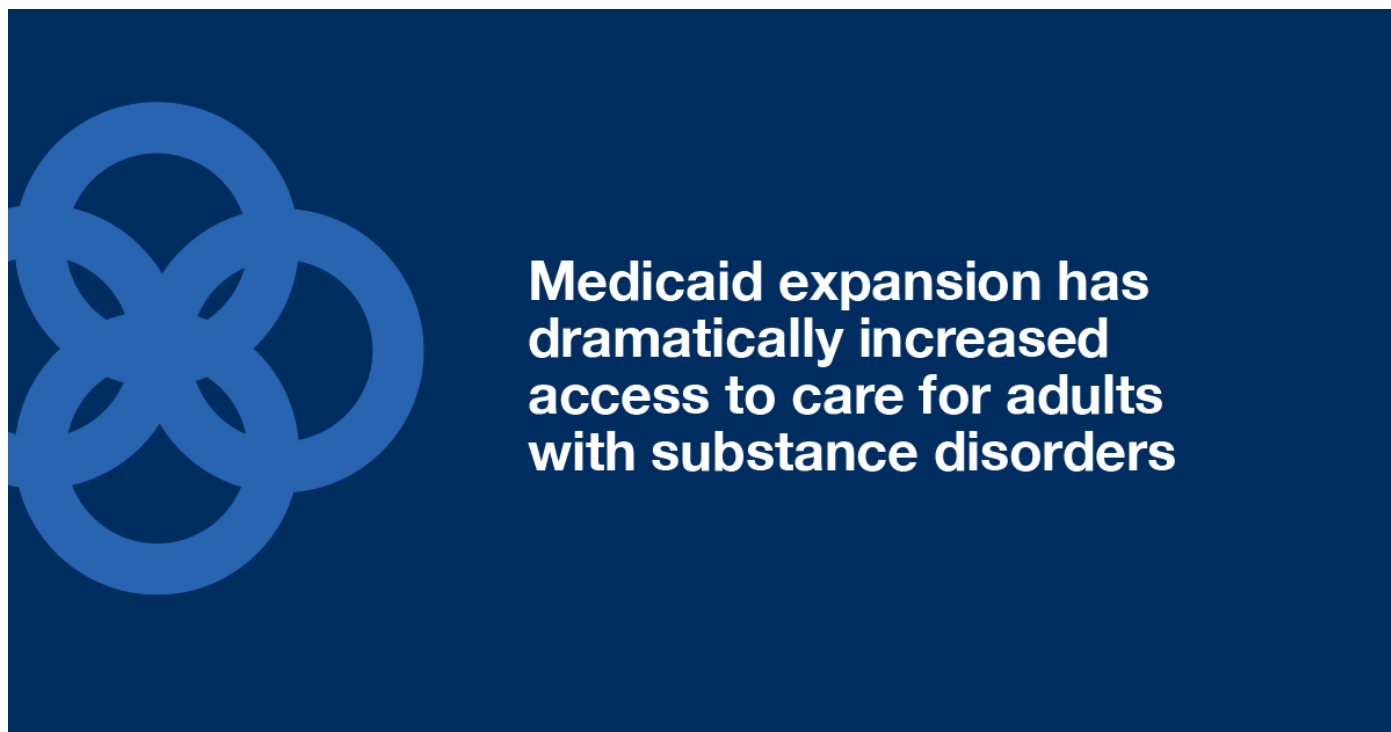


In recent years, **many Americans** have grown to view a substance use disorder as a chronic disease¹, even as the **stigma** toward people who use drugs and alcohol persists². Following decades of punitive and criminal responses, health care and social services systems are adopting more effective ways to ensure access to substance use prevention, intervention and treatment services. The Mental Health Parity and Addiction Equity Act, signed into law by President George W. Bush in 2008, drew attention to the growing need for services and to inequitable health insurance practices; the Affordable Care Act (ACA) went a step further by including substance use services as an essential benefit. Throughout this period, Medicaid has served as a workhorse to improve access to appropriate substance use care.

Medicaid has been an MVP in the opioid crisis response.

The overdose crisis has forced national and state leaders to reconsider comprehensive access to a continuum of substance use prevention, intervention and treatment services. Even as the systemic response evolves, Medicaid is a key part of the puzzle. **Twenty-one percent** of Americans covered by Medicaid have a diagnosed mild, moderate, or severe substance use disorder³. This percentage does not include many others who may misuse alcohol or other drugs without a formal diagnosis. Medicaid is the country's single **largest payer** of behavioral

health services, which encompasses both mental health and substance use services, providing needed care to children, youth and adults⁴.



The ACA Medicaid expansion filled a persistent gap in care for adults, including coverage of life-saving medications.

The expansion of coverage in 41 states to adults earning below 138% of the poverty line, including many low-income parents, has **demonstrably increased access** to substance use services⁵. **Many states** offer a range of services to support individuals with substance use disorders, such as expanded access to residential care, community-based supports and mobile crisis services⁶. Medicaid not only covers the cost of counseling and other service appointments, but pays for life-saving medications like **Naloxone** and treatment medications for opioid, alcohol and nicotine use disorders⁷. All these medicines also improve overall health outcomes. Without these medications, the nation would likely experience **higher rates of overdoses and other poor health** and well-being outcomes⁸. Under Medicaid, states are **required to cover** all FDA-approved medications for treatment of opioid use disorders⁹. For example, all states cover the opioid reversal medication Naloxone, including **38 states plus the District of Columbia** that have the nasal spray formulation on their preferred drug lists¹⁰. More states have also begun to expand **harm reduction or secondary prevention** services in light of the opioid crisis, including legalizing syringe service programs and decriminalizing the use of fentanyl test strips¹¹.

Medicaid provides comprehensive coverage of services for youth, including prevention services.

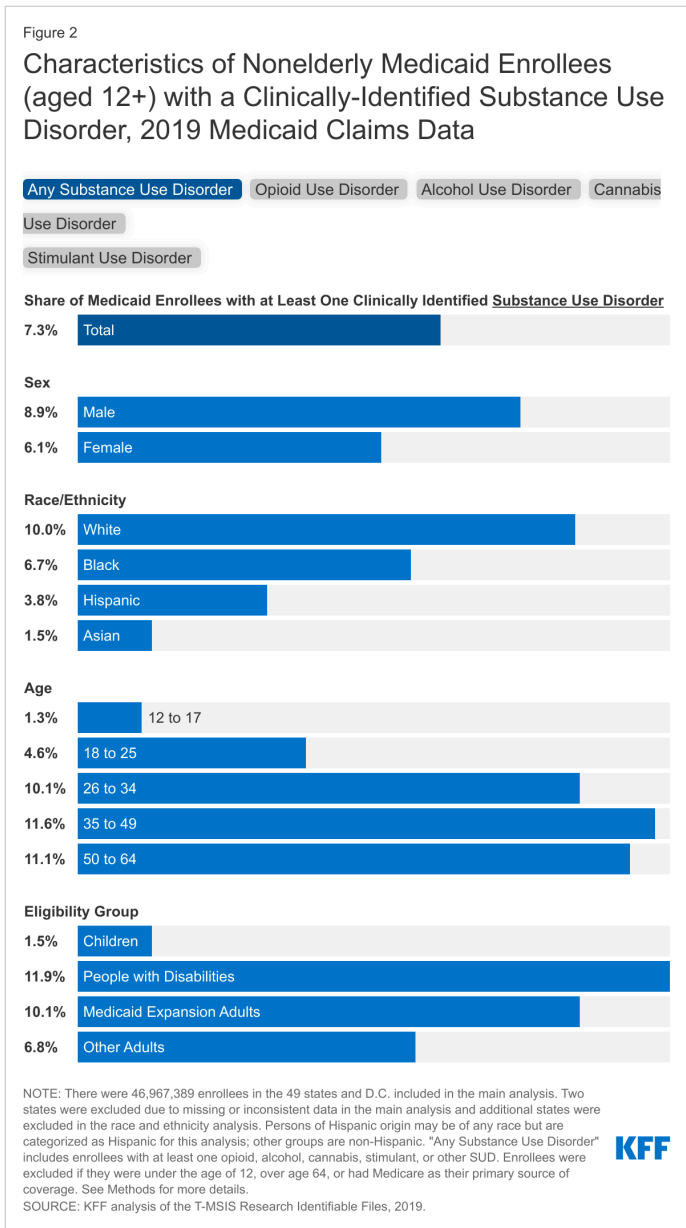
Most substance use disorders **begin in adolescence**, making early prevention and intervention essential to children and youth¹². Medicaid's pediatric benefit for children, known as Early and Periodic Screening, Diagnostic and Treatment or EPSDT, reinforces the states' commitment to build and grow local behavioral health services and plays a key role in addressing substance use problems before they become more costly and complex diagnoses. More schools are also using Medicaid to help **finance a continuum** of services for youth¹³.

Medicaid coverage of substance use disorders services saves money for families and taxpayers.

Research has shown that treating people with medications for alcohol or opioid use disorders can lead to significant savings, decreasing the use of hospitals, emergency departments and outpatient care centers. For Medicaid recipients with alcohol use disorder, healthcare costs **were**¹⁴, on **average, 30% lower** than for those patients who received treatment medications compared to those who did not¹⁵. **Other studies** on opioid use disorder have shown **cost-effectiveness** as well¹⁶. Every \$1 spent on methadone, a long-standing treatment for opioid use disorders, generates \$4 to \$5 dollars **of health care savings**¹⁷. Medications like these save money and lives but are often too **expensive for those who are uninsured**¹⁸.

As the country slowly moves toward a health-based response to substance use, it's crucial to understand that Medicaid is a key asset, particularly in states covering low-income adults for funding **physical and behavioral health treatment services** to clients diverted from the criminal legal system through drug courts and other diversion programs¹⁹. **Diversion programs** have been shown to decrease incarceration costs, reduce overdoses, reduce HIV and Hep C incidences, and improve individual quality of life²⁰. Medicaid also serves an increasing role in supporting **pre-release services** for individuals preparing to leave carceral settings, including those with substance use disorders, to improve care transitions, support community reentry and reduce rates of recidivism²¹.

People with clinically identified SUD are more likely to be male, White, over 25 years old, and qualify for Medicaid based on a disability or through Medicaid expansion.



Medicaid plays an essential role in helping individuals with substance use disorders access needed care and treatment. It has been **critically** important in addressing the opioid epidemic and serves as a foundational component of the American substance use disorder prevention, intervention and treatment system²². A strong Medicaid program is also key to continued improvements to the substance use system and support for individuals and families impacted by substance use disorders and the opioid crisis.

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Endnotes

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