Americans with Mental Health and Substance Abuse Disorders: The Single Largest Beneficiaries of the Medicaid Expansion

Medicaid is a vital source of care for people living with mental illness or addiction.

In 2014, spending by Medicaid accounted for 25% of all mental health spending in the U.S. and 21% of all substance use disorder expenditures in the nation.[1] **Approximately 29%** of persons who receive health insurance coverage through the Medicaid expansion either have a mental disorder (e.g. schizophrenia, bipolar disorder, clinical depression, anxiety) or a substance use disorder (e.g. alcoholism, opioid addiction) or both. People who were uninsured prior to the Affordable Care Act generally had a higher prevalence of behavioral health conditions than the overall population.[2]

The Medicaid expansion is an opioid treatment program.

As drug overdoses have overtaken auto accidents as the leading cause of preventable death in the U.S., states and Congress have implemented evidence-based medication-assisted treatment (e.g., Methadone, Vivitrol, Suboxone, and Buprenorphine) as important treatments opioid dependence. Many states with the highest opioid overdose death rates have used Medicaid to expand access to medication-assisted treatment; for example, in Kentucky, Maine, Pennsylvania, Ohio and West Virginia, **Medicaid pays for between 35-50%** of all medication-assisted treatment.[3]

States hardest hit by the opioid epidemic would be at greatest risk for coverage reductions if the Medicaid expansion is repealed.

The chart below shows the number of covered individuals who would be at risk of losing access to care in states hardest-hit by the opioid epidemic and the potential reduction in access to one form of medication-assisted treatment:[4]

State	Drug Overdose Deaths (rate per 100,000)	% of all buprenorphine treatment paid by Medicaid	# with SMI/SUD in Medicaid Expansion
Alaska	122 (16.0)	34.2%	5,389
Arizona	1,274 (19.0)	14.9%	15,400
Indiana	1,245 (19.5)	17.7%	133,580
Kentucky	1,273 (29.9)	44.2%	40,770
Michigan	1,980 (20.4)	13.4%	169,484
Missouri	1,066 (17.9)	15.7%	78,637
Nevada	619 (20.4)	11.9%	28,080
New York	2,754 (13.6)	37%	44,759
Ohio	3,310 (29.9)	49.5%	151,257
Oregon	505 (12.0)	23.8%	56,763
Pennsylvania	3,264 (26.3)	29.2%	80,910
West Virginia	725 (41.5)	44.7%	22,576
U.S.	**52,404**	**24.2**	**1,286,550**

[1] *Insurance Financing Increased for Mental Health Conditions, But Not Substance Use Disorders,* Health Affairs, June 2016
[2] *The CBHQS Report,* SAMHSA National Survey on Drug Use and Health, November 18, 2015
[3] Research by Dr. Richard Frank and Dr. Sherry Glied, accessible at: https://www.hcp.med.harvard.edu/background-information-richard-frank-article
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Prior to the Medicaid expansion, there was no pathway to coverage for most people with addictions.

In 1997, Congress prohibited individuals with addictions disorder from being eligible for the Supplemental Security Income (SSI) program, the typical pathway to health coverage for people with severe health conditions prior to the Medicaid expansion. By covering low-income childless adults up to 138% of the federal poverty line, the Medicaid expansion enabled **1.29 million low-income people with substance use disorders** to gain access to coverage that is unavailable to their peers in non-expansion states.[5]

Repealing the Medicaid expansion would jeopardize gains in coverage and access to addiction care.

In 2016, Congress enacted a new $1 billion opioid prevention and treatment fund and passed the Comprehensive Addiction and Recovery Act, which authorized new grants to states and communities and required buprenorphine prescribers to be trained on the appropriate clinical use of all FDA-approved medications for the treatment of opioid use disorders. Repealing the Medicaid expansion would squander these gains: researchers from Harvard and NYU estimate that **repealing the Medicaid expansion would cut $4.5 billion** per year from mental health and substance use treatment for low-income persons.[6]

Medicaid enables a shift away from expensive hospital settings.

In 2014, 25% of mental health spending and 22% of substance use disorder spending was for inpatient settings, **compared with 47% and 53% respectively in 1986.**[7] In Medicaid expansion states, the share of substance use or mental health disorder hospitalizations involving patients without insurance fell from about 20% at the end of 2013 to about 5% by mid-2015.[8]

Medicaid expansion states experienced state/local behavioral health savings.

With half of states experiencing revenue shortfalls in the last half of FY 2016, states lack the ability to make up for any reduction in federal Medicaid support.[9] The Medicaid expansion has enabled significant statewide savings in Connecticut, Nevada and Washington, where the states reduced their state general funds required for behavioral health. Arkansas, Colorado, and Michigan reported expected reductions in general funds spending for the uninsured ranging from $7 million to $190 million in 2015.[10]

Questions? Contact Rebecca Farley, Vice President, Policy & Advocacy, rebeccaf@thenationalcouncil.org

[5] Research by Dr. Richard Frank and Dr. Sherry Glied, accessible at: https://www.hcp.med.harvard.edu/background-information-richard-frank-article
[6] *Keep Obamacare to keep progress on treating opioid disorders and mental illnesses*, Dr. Richard Frank and Dr. Sherry Glied, The Hill, January 11, 2017
[7] *Insurance Financing Increased for Mental Health Conditions, But Not Substance Use Disorders,* Health Affairs, June 2016
[8] *Continuing Progress on the Opioid Epidemic: the Role of the Affordable Care Act,* HHS ASPE Issue Brief, January, 2017
[9] *NASBO Fiscal Survey of the States, Fall 2016*
[10] *Benefits of Medicaid Expansion for Behavioral Health,* HHS ASPE Issue Brief, March, 2016