

Medicaid’s Role in Fighting the Opioid Epidemic

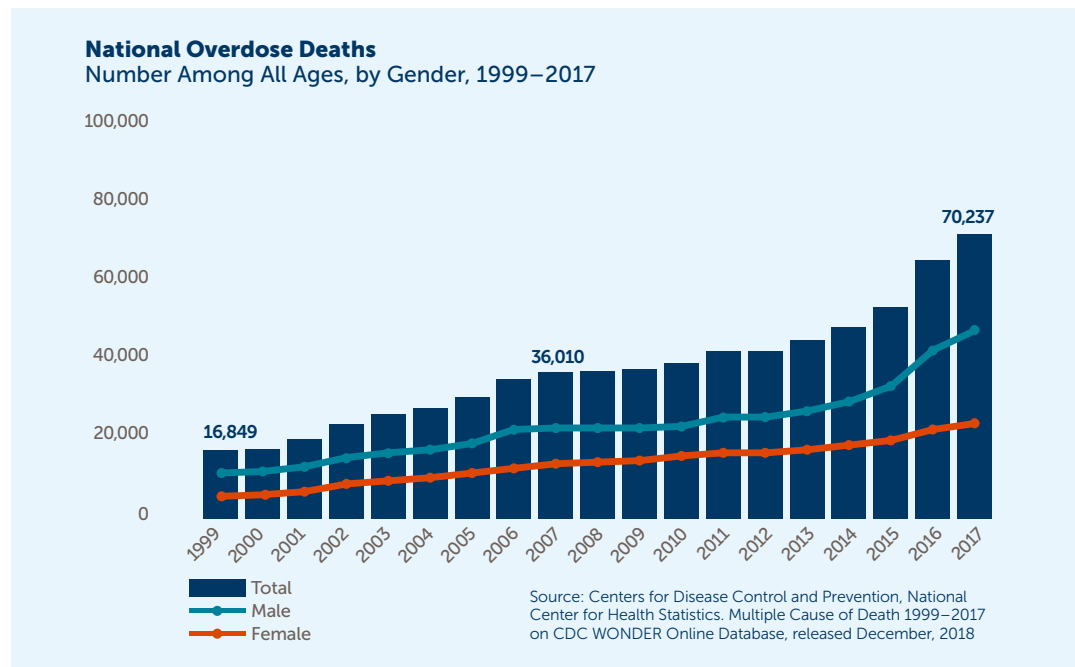
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The Issue

In 2017, deaths due to opioid-related overdoses totaled nearly 50,000, surpassing other leading causes of accidental deaths, and even deaths due to HIV/AIDS at its peak in 1995.¹ While opioid addiction and death rates vary state to state, the opioid mortality rate continues to climb in most states.² The profound health, economic and social consequences of substance use disorders (SUDs), including opioid use disorders (OUDs), require significant, sustained investment in coverage and treatment—and **Medicaid is the key platform from which states are tackling the SUD crisis.**

Why It’s Important

Medicaid is the largest source of coverage and funding for substance use prevention and treatment nationally. Medicaid covers nearly 40 percent of adults with an OUD and 17 percent of adults experiencing any type of SUD. Even before the Affordable Care Act’s Medicaid expansion, **Medicaid spent three times more (\$9.4 billion) on services for people with OUD than SAMHSA’s 2017 budget for SUD overall (\$2.9 billion).** Medicaid’s substantial dollars provide access to prevention, treatment and recovery services for those with addiction, and just as important, fund comprehensive coverage for a broad spectrum of physical and behavioral health services to treat co-occurring conditions for people with addiction disorders. States have significant opportunity to strengthen their responses to the substance use crisis by leveraging their Medicaid programs.



Considerations for State Policymakers

States are implementing a number of Medicaid strategies to prevent and treat SUD, and support long-term recovery.³ New state policymakers should assess current state policy to determine if these strategies are being or should be pursued:

Pursue Relief From the Institutions for Mental Diseases (IMD) Exclusion for SUD Treatment.

In July 2015 and November 2017, CMS [issued](#) guidance inviting states to apply for 1115 demonstrations that would waive the IMD exclusion—the historical prohibition on using federal Medicaid funds to pay for treatment delivered to individuals ages 21 to 64 residing in institutions with 16 or more beds—for individuals receiving SUD services. This policy is intended to expand access to residential treatment and withdrawal management services and states can consider pursuing this strategy to provide the full continuum of SUD care. To date, 17 states have obtained IMD exclusion waivers. A provision in October 2018 federal opioid legislation, the [SUPPORT Act](#), permits states to pursue a Medicaid State Plan option to obtain federal Medicaid funds for SUD services provided in an IMD up to 30 days per year.⁴

Expand Medication-Assisted Therapy (MAT). MAT is an evidence-based, highly effective treatment option for individuals with OUDs and many states are seeking to expand it through strategies like encouraging physicians and extenders to obtain Drug Addiction Treatment Act of 2000 ([DATA 2000](#)) waivers to prescribe medications used for MAT outside of designated opioid treatment programs. The SUPPORT Act increases flexibility for MAT by increasing the number of patients for whom qualified providers can prescribe or dispense MAT; eliminating existing time limits for physician extenders to become qualifying prescribers; and authorizing additional providers to become waived. States can also improve MAT access in other ways, including enhanced reimbursement to physicians who provide the service.⁵

Leverage Medicaid Managed Care Contract Requirements. States with Medicaid managed care delivery systems can require their health plan contractors to implement strategies and practices that address SUD/OUD (see Medicaid Brief #7 for more information). Some of these strategies are now mandates under the SUPPORT Act, including requiring managed care organizations to:

- Provide a full continuum of behavioral health services;
- Ease or eliminate prior authorization requirements for MAT and other services;
- Ensure providers comply with Prescription Drug Monitoring Program requirements and opioid prescription limits; and
- Require plans to offer non-opioid alternatives to pain management.

Innovate (Including by Appropriating Other State Innovations). States are using their Medicaid State Plan authority, 1115 waivers, and managed care contracts to pursue other innovative reforms. Notable examples include:

- Vermont’s [Hub and Spoke Model](#), in which opioid treatment “Hub” programs offer all elements of MAT and “Spoke” primary care or family medicine providers provide less intensive types of team-based treatment, counseling, and care management.
- West Virginia’s Neonatal Abstinence [State Plan Amendment](#) program, which funds withdrawal symptom treatment in babies exposed to opioids before birth.
- Ohio’s [Pre-release Care Coordination Program](#), to provide care management during the discharge process for incarcerated people with high health needs, including SUD.

Conclusion

State Medicaid programs are the bedrock of state efforts to fight the still-raging opioid epidemic, and the substance use crisis overall. Examples of impactful state strategies that use Medicaid’s funding and infrastructure abound and are becoming models for all-payer efforts to combat addiction. For more information on Medicaid’s role, please refer to the resources below.

Additional Resources

Resources on Legislation and Administrative Guidance

- 1115 Substance Use Disorder Demonstrations. Centers for Medicare & Medicaid Services website. www.medicaid.gov/state-resource-center/innovation-accelerator-program/program-areas/reducing-substance-use-disorders/1115-sud-demonstrations/index.html. Accessed December 11, 2018.
- Centers for Medicare & Medicaid Services. Best Practices for Addressing Prescription Opioid Overdoses, Misuse and Addiction. DC: Department of Health and Human Services; 2016. www.medicaid.gov/federal-policy-guidance/downloads/cib-02-02-16.pdf
- Centers for Medicare & Medicaid Services. Opportunities to Design Innovative Service Delivery Systems for Adults with a Serious Mental Illness or Children with a Serious Emotional Disturbance. DC: Department of Health and Human Services; 2018. www.medicaid.gov/federal-policy-guidance/downloads/smd18011.pdf
- Drug Addiction Treatment Act of 2000, H.R. 2634, 106th Congress (2000). www.congress.gov/bill/106th-congress/house-bill/2634
- Manatt Health. Waivers of the Institutions for Mental Disease (IMD) Exclusion: Emerging Opportunities and Challenges [webinar]. Robert Wood Johnson Foundation State Health and Value Strategies (RWJF SHVS). June 2018. www.shvs.org/resource/waivers-of-the-institutions-for-mental-disease-imd-exclusion-emerging-opportunities-and-challenges/
- Medicaid and CHIP Payment and Access Commission (MACPAC). Medicaid and the Opioid Epidemic. DC: MACPAC; 2017. www.macpac.gov/publication/medicaid-and-the-opioid-epidemic/
- SUPPORT for Patients and Communities Act, H.R. 6, 115th Congress (2018). www.congress.gov/bill/115th-congress/house-bill/6

Resources on Strategies and Best Practices for Medicaid's Role in the Opioid Epidemic

- Bachrach, D., Boozang, P., Lipson, M. Medicaid: States' Most Powerful Tool to Combat the Opioid Crisis. RWJF SHVS. July 2016. www.shvs.org/resource/medicaid-states-most-powerful-tool-to-combat-the-opioid-crisis/
- Grady, A., Boozang, P., Bachrach, D., et al., Medicaid: The Linchpin in State Strategies to Prevent and Address Opioid Use Disorders. RWJF SHVS. March 2018. www.shvs.org/wp-content/uploads/2018/03/SHVS_Medicaid-Opioids_Final.pdf.
- Guyer, J. Medicaid's Role in Public Emergencies and Health Crises. RWJF SHVS. May 2017. www.manatt.com/Insights/White-Papers/2017/Medicoids-Role-in-Public-Emergencies-and-Health-C
- Hartunian, R., Wolff, J., Ario, J., et al. America's Opioid Crisis. Bloomberg Law. March 2018. <https://news.bloomberglaw.com/health-law-and-business/americas-opioid-crisis>.
- Zur, J., Tolbert, J. The Opioid Epidemic and Medicaid's Role in Facilitating Access to Treatment. Henry J. Kaiser Family Foundation. April 2018. www.kff.org/medicaid/issue-brief/the-opioid-epidemic-and-medicoids-role-in-facilitating-access-to-treatment/

Endnotes

1. Overdose Death Rates. National Institute on Drug Abuse website. www.drugabuse.gov/related-topics/trends-statistics/overdose-death-rates. 2018. Accessed December 11, 2018.; U.S. Department of Transportation. 2017 Fatal Motor Vehicle Crashes: Overview. DC: National Center for Statistics and Analysis; 2018. <https://crashstats.nhtsa.dot.gov/Api/Public/ViewPublication/812603>; Firearm Mortality by State: 2016. Centers for Disease Control and Prevention website. www.cdc.gov/nchs/pressroom/sosmap/firearm_mortality/firearm.htm. Accessed December 11, 2018.
2. Gomez, T., Tadrous, M., Mamdani, M., et al. The Burden of Opioid-Related Mortality in the United States. *Journal of American Medical Association*. 2018;1(2):e180217. <https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2682878>; Drug Overdose Mortality by State: 2016. Centers for Disease Control and Prevention website. www.cdc.gov/nchs/pressroom/sosmap/drug_poisoning_mortality/drug_poisoning.htm. Accessed December 11, 2018.
3. For the purposes of this topic brief, we focus specifically on Medicaid-related strategies, and note that there are a broader array of SUD/OD policies employed by states that go beyond the purview of the Medicaid program.
4. Section 5052 of the SUPPORT Act amends the Social Security Act (SSA) to create these state plan option for fiscal years (FYs) 2019–2023.
5. Gifford, K., Ellis, E., Coulter Edwards, B., et al. States Focus on Quality and Outcomes Amid Waiver Changes: Results from a 50-State Medicaid Budget Survey for State Fiscal Years 2018 and 2019. Henry J. Kaiser Family Foundation. October 2018. www.kff.org/medicaid/report/states-focus-on-quality-and-outcomes-amid-waiver-changes-results-from-a-50-state-medicoid-budget-survey-for-state-fiscal-years-2018-and-2019/