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The Opioid Epidemic and Medicaid's Role in Facilitating Access to Treatment

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KEY FINDINGS

In 2016, 1.9 million nonelderly adults in the United States had an opioid addiction. Medicaid covers 4 in 10 nonelderly adults with opioid addiction. This brief examines Medicaid's role in facilitating access to treatment for opioid addiction. Key findings include:

- Among nonelderly adults with opioid addiction, those with Medicaid were twice as likely as those with private insurance or no insurance to have received treatment in 2016.
- Medicaid facilitates access to treatment by covering numerous inpatient and outpatient treatment services, as well as medications prescribed as part of medication-assisted treatment.
- States use Medicaid Section 1115 waivers and other program authorities to expand treatment options for enrollees with opioid addiction.

While additional states expanding Medicaid could increase coverage and access, support for new work and premium requirements could impose barriers to obtaining and maintaining Medicaid coverage that may compromise efforts to address the opioid crisis.

Introduction

The opioid epidemic continues to escalate, with 1.9 million nonelderly adults having an opioid addiction in 2016.[1] Opioid addiction is often associated with comorbid physical and mental health conditions and high levels of health care services utilization. These issues have worsened throughout the past decade as the opioid epidemic has escalated. In 2016, there were 42,249 opioid overdose deaths in the United States, more than quadruple the number in 2001, and the number of deaths from heroin and fentanyl have surpassed the number due to prescription opioids. The Trump administration has stated that addressing the opioid epidemic is a key priority.

Medicaid has historically filled critical gaps in responding to public health crises, such as the AIDS epidemic in the 1980s, the Flint water crisis, and numerous natural disasters since the program originated. As with these other public health crises, Medicaid helps to address the opioid epidemic by providing access to coverage and necessary health care. The program covers a disproportionate share of individuals with opioid addiction and facilitates access to numerous treatment services. Additionally, as of February 2018, 33 states have adopted the Medicaid expansion, with enhanced federal funding, to cover

adults up to 138% of the federal poverty level ($16,753/year for an individual in 2018). All Medicaid expansion benefit packages must include behavioral health services, including mental health and substance use disorder services, which has increased access to care for many people with opioid addiction.

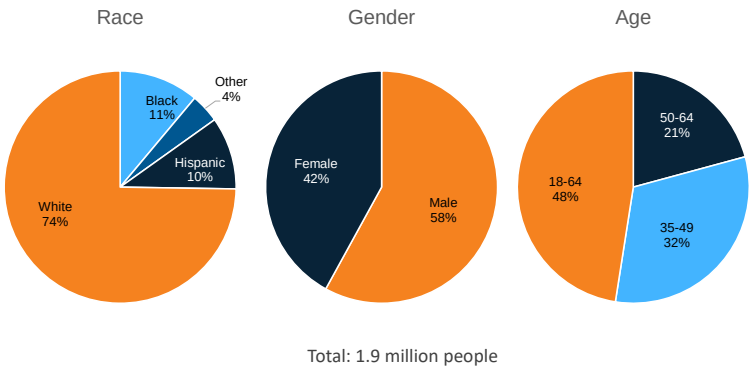
Based on data from the 2016 National Survey on Drug Use and Health, this brief describes nonelderly adults with opioid addiction, including their demographic characteristics and insurance statuses, and compares receipt of various treatment services among those with Medicaid to those with private insurance and those who are uninsured. It also describes Medicaid financing for opioid treatment and the ways in which Medicaid promotes access to treatment for enrollees with opioid addiction.

Characteristics of Nonelderly Adults with Opioid Addiction

Individuals with opioid addiction are predominantly white, male, and young. In 2016, nearly 3 in 4 (74%) nonelderly adults with opioid addiction were white (Figure 1). Those with opioid addiction were also more likely to be male (58%), although the epidemic has touched an increasingly large share of women in recent years, including many pregnant women.[2,3] Additionally, nearly half (48%) were between ages 18 and 34, and another one-third (32%) were between ages 35 and 49. This age distribution is comparable to those for other types of addiction, including addictions to both drugs and alcohol, which generally affect young adults more than they affect other age groups.[4]

Figure 1

Race, Gender, and Age of Nonelderly Adults with Opioid Addiction, 2016



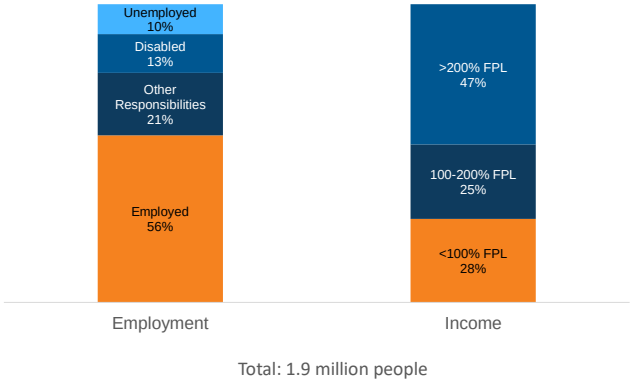
SOURCE: Kaiser Family Foundation Analysis of the 2016 National Survey on Drug Use and Health

The majority of nonelderly adults with opioid addiction are employed, but many have low incomes. In 2016, nearly 6 in 10 (56%) were employed; however, there was wide variability with regard to the types of jobs and industries in which they work, their salaries, and the number of hours they worked

each week (Figure 2). Of those who were employed, about 7 in 10 (72%) reported working at a full-time job during the previous week.[5] One in ten were unemployed and an additional 13% were unable to work because of a disability, reflecting the complicated health needs of individuals with opioid addiction, many of whom may have developed an addiction to opioids after using opioids to treat their chronic pain.[6] Adults with opioid addiction are also more likely than other adults to have many other health conditions, including hepatitis, HIV, and mental illness,[7] all of which may hinder their ability to work. As a result of these and other factors, more than half of nonelderly adults with opioid addiction had low incomes in 2016, and over a quarter (28%) lived below the poverty line (Figure 2).

Figure 2

Employment Status and Income of Nonelderly Adults with Opioid Addiction, 2016



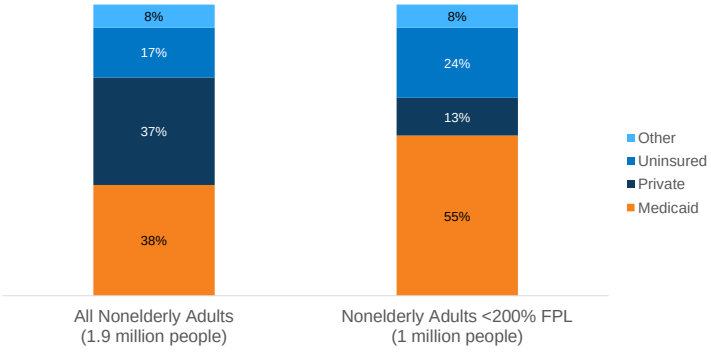
Total: 1.9 million people

NOTE: Other responsibilities include school, retirement, childcare, or another responsibility. FPL in 2017 is $12,060/year for an individual and $20,420/year for a family of 3.
SOURCE: Kaiser Family Foundation Analysis of the 2016 National Survey on Drug Use and Health

Medicaid covers a disproportionate share of nonelderly adults with opioid addiction, and an even greater share of those with low incomes. In 2016, nearly 4 in 10 (38%) were covered by Medicaid and a similar share (37%) had private insurance. Approximately 1 in 6 (17%) was uninsured (Figure 3). Low-income nonelderly adults with opioid addiction are typically less likely than adults with higher incomes to have jobs that offer health insurance.[8] In 2016, over half (55%) were covered by Medicaid, while only 13% had private insurance. Nearly 1 in 4 (24%) were uninsured (Figure 3), although if they lived in states that expanded Medicaid, they would likely be eligible for coverage.

Figure 3

Insurance Status of Nonelderly Adults with Opioid Addiction, 2016



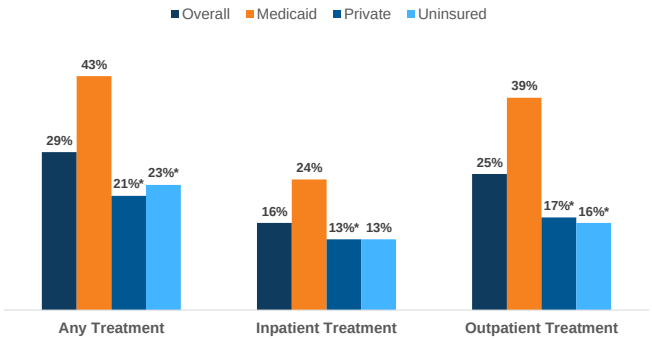
SOURCE: Kaiser Family Foundation Analysis of the 2016 National Survey on Drug Use and Health

Utilization of Opioid Addiction Treatment Services

Overall receipt of treatment for opioid addiction is low. In 2016, fewer than 3 in 10 (29%) adults with opioid addiction received any treatment for their addiction (Figure 4).[9] Opioid addiction treatment can be delivered in an inpatient or outpatient setting and can be provided in numerous types of facilities, including hospitals, drug or alcohol rehabilitation facilities (for either inpatient or outpatient services), mental health centers, or private doctors' offices. Depending on the severity of their addictions, some patients begin in an inpatient facility and then later transition to an outpatient setting, while others require only outpatient treatment. Overall, in 2016, 16% of nonelderly adults with opioid addiction received inpatient treatment, while 25% received outpatient treatment.

Figure 4

Past-Year Opioid Addiction Treatment Among Nonelderly Adults with Opioid Addiction by Insurance Status, 2016

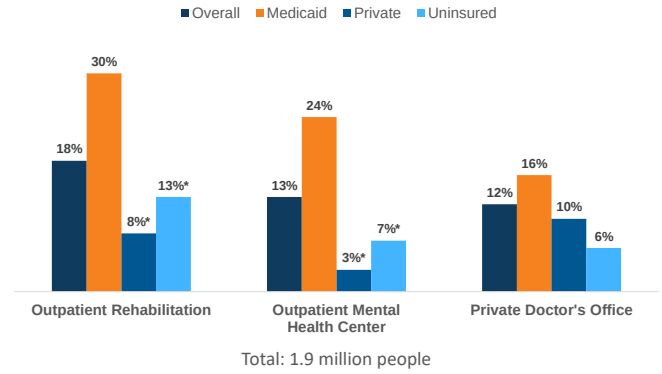


NOTE: Differences between Medicaid and private insurance are statistically significant for all three measures. Differences between Medicaid and uninsured are statistically significant for any treatment and outpatient treatment only.
SOURCE: Kaiser Family Foundation Analysis of the 2016 National Survey on Drug Use and Health

Among nonelderly adults with opioid addiction, those with Medicaid are significantly more likely than those with private insurance or those who are uninsured to receive treatment. In 2016, those with Medicaid were twice as likely as those with private insurance or no insurance to receive any treatment for their addiction (43% vs. 21% and 23%). Nearly a quarter of adults with opioid addiction who had Medicaid coverage received inpatient care, while nearly 4 in 10 received outpatient care. In contrast, just over 1 in 10 (13%) of those with private insurance received any inpatient treatment and only 17% received any outpatient treatment. Those who were uninsured received treatment at rates similar to those with private insurance. These differences in utilization highlight the significant role Medicaid plays in increasing access to treatment.

Figure 5

Past-Year Outpatient Addiction Treatment Among Nonelderly Adults with Opioid Addiction by Insurance Status, 2016



NOTE: Differences are statistically significant for outpatient rehabilitation and outpatient mental health center only.
SOURCE: Kaiser Family Foundation Analysis of the 2016 National Survey on Drug Use and Health

Adults with opioid addiction who were covered by Medicaid were significantly more likely to have received treatment at an outpatient rehabilitation center or at an outpatient mental health center than those with private insurance or those who were uninsured (Figure 5). In 2016, adults with opioid addiction covered by Medicaid were three times

more likely to have received treatment at these facilities than privately insured or uninsured adults. At the same time, utilization of services at private physician's offices did not differ significantly across the three groups. Higher rates of utilization of outpatient treatment services by those with Medicaid may reflect the greater push for outpatient community-based behavioral health treatment in recent decades.[10]

Medicaid's Role in Covering Opioid Addiction Treatment Services

State Medicaid programs cover numerous addiction treatment services that fit into several state plan categories, including outpatient treatment, inpatient treatment, prescription drugs, and rehabilitation. The standard of care for opioid addiction is medication-assisted treatment (MAT), which combines one of three medications (methadone, buprenorphine, or naltrexone) with counseling and other support services. All state Medicaid programs cover at least one medication used as part of MAT,[11] and most cover all three of these medications. State Medicaid programs also cover many counseling and other support services, delivered either as part of MAT or separately. Most of these services are delivered at state option and include detoxification, intensive outpatient treatment, psychotherapy, peer support, supported employment, partial hospitalization, and inpatient treatment.[12]

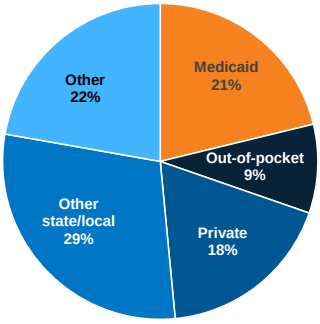
Several policy changes have allowed states to obtain waivers to allow Medicaid funding of substance use treatment services at institutions for mental disease (IMDs). Federal law has historically prohibited Medicaid payments for services provided to adults age 21-64 in IMDs as a way to preserve state financing of these services. However, in April 2016, CMS issued final Medicaid managed care regulations that allow federal matching funds for managed care capitation payments for services in an IMD for up to 15 days in a month in lieu of services covered under the state plan and at the enrollee's option.[13] Additionally, in July 2015, the Centers for Medicare & Medicaid Services (CMS) released guidance stating that states could request federal funding for substance use disorder services delivered to nonelderly adults in IMDs through Section 1115 demonstration waivers. On November 1, 2017, CMS issued revised guidance that continues to allow states to seek Section 1115 waivers to pay for services provided in IMDs, including substance use disorder services. A number of states have sought waivers of the IMD exclusion specifically to expand treatment options for substance use disorder services. As of March 2018, CMS has approved waiver requests in 10 states to provide substance use disorder services in an IMD, and 10 states have waiver applications pending with CMS.[14]

Many states have also applied for other Medicaid Section 1115 behavioral health waivers focused on treating individuals with addiction, including opioid addiction. CMS has approved community-based benefit expansions proposed in Section 1115 waivers, which enable states to provide additional services to individuals with addiction, such as supportive housing, supported employment (such as job coaching), and peer recovery coaching. Additionally, CMS has approved waivers that allow states to expand Medicaid eligibility to cover additional populations with behavioral health needs, to provide home and community-based services, and to implement certain delivery system reforms, such as physical and behavioral health integration and alternative payment models.

Because of the large number of Medicaid enrollees with opioid addiction and the breadth of treatment services that Medicaid covers, Medicaid finances a substantial proportion of addiction treatment. In 2014, Medicaid financed 21% of all addiction treatment, which was more than the share covered by all private insurers combined (18%). Nine percent of all spending on addiction treatment came from out-of-pocket payments (Figure 6).[15]

Figure 6

Proportion of Total Spending on Addiction Treatment Services in 2014, by Payer



NOTE: Other payers include Medicare and other federal funds, such as block grants.
SOURCE: Tami L. Mark, Tracy Yee, Katherine R. Levit, et al. "Insurance Financing Increased for Mental Health Conditions But Not For Substance Use Disorders, 1986-2014," *Health Aff (Millwood).* 2016 Jun; 35(6):958-965

Looking Ahead

Medicaid plays a major role in facilitating access to inpatient and outpatient treatment services for individuals with opioid addiction. Nonelderly adults with Medicaid were more likely than those without insurance to receive various types of opioid addiction treatment and had better access to treatment than those with private insurance. Furthermore, despite the IMD payment exclusion, individuals with Medicaid were more likely than privately insured individuals to receive inpatient treatment.

As the opioid epidemic continues to worsen, particularly as fentanyl has become more pervasive,[16] states are increasingly looking to Medicaid to expand treatment options to stem the crisis. In addition to covering MAT medications and numerous other treatment services, states are seeking waivers to allow payment for opioid treatment services provided in IMDs, to expand coverage of community-based benefits to support treatment and recovery, and better integrate behavioral health services, including substance use disorder services, with physical health services.

Non-expansion states can improve access to treatment by expanding Medicaid, which would enable them to cover many people with opioid addiction who are currently uninsured. At the same time, using 1115 waivers to impose new requirements in Medicaid, including work requirements and premiums, could compromise efforts to address the opioid epidemic. Although some states exempt people in addiction treatment from work requirements and other states count treatment as work hours, other states do not have such exemptions. Additional reporting requirements coupled with new premium requirements may also make it more difficult for eligible individuals to enroll in Medicaid and for those currently enrolled to keep their coverage. Utilization of treatment by adults with an opioid addiction is already low; imposing new barriers to obtaining and maintaining Medicaid could further impede those battling opioid addiction from getting the care they need.

Endnotes

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