



Substance Use Disorders: Protect Medicaid

The Affordable Care Act Expands Medicaid Coverage for Millions with Substance Use Disorders, But State Budget Shortfalls and Federal-Level Cuts Threaten Medicaid Funding

By 2014, Medicaid will cover nearly all adults who earn up to 133 percent of the federal poverty level (\$14,404 for a childless adult or \$29,326 for a family of four). Many previously uninsured individuals will have new access to health care. The Congressional Budget Office estimates that 16 million new people will be covered by Medicaid.

An estimated 5.4 million people who are currently uninsured and have an addiction or mental illness will gain coverage under the Affordable Care Act (ACA); 50 percent of those individuals are likely to be served by Medicaid.¹ The Medicaid plan for those newly eligible must grant at least as much coverage for mental illness and substance use disorders as the average private health plan. This is the first time that comprehensive treatments for substance use disorders and mental illness are required services. The ACA also expands parity to new Medicaid plans: coverage levels for mental health conditions, including treatment for substance use disorders, must be at least the same coverage as for medical conditions.

Advocates can help ensure robust implementation.

- **Protect Medicaid.** Many states are facing budget shortfalls and are looking for ways to trim their budgets. Medicaid, on average, accounts for 15 percent of state spending; this makes it a target program. However, Medicaid cuts harm our most vulnerable populations by limiting access and reducing the quality of care. Many people who suffer from substance use disorders will have new access to Medicaid in 2014; it is vital to keep the program strong.
 - **Defend Medicaid's future through advocacy at the federal level.** The ACA promises millions of Americans health insurance through the Medicaid expansion and they will have access to treatment for substance use disorders. But because it is such a significant portion of the federal budget, Medicaid will remain vulnerable to budget cuts.
 - **Protect current Medicaid coverage of substance use disorders.** Many states have already expanded their Medicaid programs to include services the federal government previously labeled as "optional," including some treatment for substance use disorders. It is important to protect those services for current Medicaid participants at a time when many states are making cuts to the program.
- **Help define the "essential health benefits."** Both the federal government and states will play a role in determining what benefits will be covered in Medicaid plans. Advocates can weigh in with the Secretary of Health and Human Services and with state officials on the importance of robust services for substance use disorder and mental illness. Advocates can cite strong evidence that treatment for substance use disorders is cost efficient and results in

better patient outcomes. The first opportunity to publicly comment on the federal guidelines for the essential health benefits package will be in fall 2011.

- **Expand Medicaid’s provider network to serve the influx of new patients.** To serve 16 million new customers in 2014, Medicaid needs to attract many new providers. Advocacy is needed to expand the use of mid-level providers such as nurse practitioners who can provide primary care, and to extend the federal reimbursement increase for primary care doctors contained in the ACA beyond 2013 and 2014. Additionally, the ACA appropriates funds to the National Health Service Corps to train primary care providers and place them in underserved areas. There are also opportunities to train primary care physicians to screen, identify and treat patients with substance use disorders and mental illness. Medicaid will also need to engage more providers of substance use disorder services; many of these providers have no prior experience with Medicaid.

Resources

- **Community Catalyst Alerts** – sign up here: <http://www.communitycatalyst.org/>
- **Community Catalyst’s Medicaid Defense Toolkit**
http://www.communitycatalyst.org/resources/defending_medicaid/
- **The National Council’s frequently asked questions about upcoming Medicaid changes**
The National Council for Community Behavioral Health care is a coalition of 1,950 behavioral health organizations that advocates for public policies to protect access to comprehensive healthcare services. <http://www.thenationalcouncil.org/galleries/policy-file/FAQs%20on%20Medicaid%20expansion.pdf>
- **Community Catalyst Papers on Essential Health Benefits**
 - The Essential Health Benefits Process: What Advocates Need to Know Now
http://www.communitycatalyst.org/doc_store/publications/EHB_Process.pdf
 - Essential Health Benefits: A Federal Strategy Guide for Advocates
http://www.communitycatalyst.org/doc_store/publications/EHB_Strategy.pdf

¹ Donohue J, R Garfield, and J Lave, “The Impact of Expanded Health Insurance Coverage on Individuals with Mental Illnesses and Substance Abuse Disorders” ASPE Report April 2010.