

The Better Care Reconciliation Act (BCRA) Hurts Individuals Affected by the Opioid Epidemic



The opioid epidemic continues unabated. In 2015, over 33,000 Americans – more than 90 a day – died due to an unintentional opioid-related overdose, more than any year on record. Preliminary data from 2016 show that the number of Americans lost to overdose increased by nearly 20% from 2015 to 2016, due largely to the continuing opioid overdose epidemic. Since 2012, more than 100 Alaskans have died each year due to an opioid-related overdose and the rate of opioid-related deaths in the state is now twice the national rate.

The Affordable Care Act (ACA) has been a vital tool in Alaska's fight against the opioid epidemic. Thanks to the Medicaid expansion and the individual marketplace, more than 10,500 Alaskans with serious mental illness and/or substance use disorders (SUD) now have access to health insurance. Health plans in the state must also now cover mental health and substance use services as well as medication-assisted treatment (MAT) and the overdose-reversal medication naloxone as part of a package of essential health benefits (EHBs). The ACA also expanded the mental health parity requirement, under which most health insurance plans are prohibited from imposing limitations on coverage for substance use services that are greater than limitations on coverage of medical and surgical services.

BCRA will repeal most of the ACA's protections for people with opioid use disorders (OUD) in Alaska and will increase the risk of overdoses and other negative consequences associated with this public health emergency. The legislation purports to create a \$45 billion fund for OUD treatment, but without the current funding level and protections for people with OUD, this fund would be vastly insufficient to address the epidemic.

BCRA will result in:

Fewer individuals with OUD enrolled in Medicaid

– Eliminating enhanced federal funding for the Medicaid expansion and capping the amount Alaska receives in federal Medicaid funding will likely lead the state to reduce Medicaid eligibility and restrict coverage for low-income adults with OUD.

Reduced OUD services coverage – BCRA allows

states to waive the EHB requirements that have dramatically expanded access to evidence-based treatment. The legislation would also allow states to waive annual limits on cost-sharing. Such waivers would likely lead health plans in Alaska to scale back, eliminate, or impose high cost-sharing requirements on coverage of OUD prevention and treatment services, including the life-saving MAT medications buprenorphine and methadone, as well as naloxone.

Alaska SUD Coverage Facts

5,389 Alaskans with serious mental illness and/or SUD have gained health insurance coverage as a result of the Medicaid expansion.

2,754 Alaskans with SUD have gained health insurance coverage in the ACA's individual marketplace

Medicaid pays for 34% of all buprenorphine treatment in Alaska.

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Gutting of mental health parity requirements – While most health plans are required by the ACA to provide OUD treatment services at the same level as medical and surgical services, this requirement is only effective if robust medical and surgical coverage remains in place. Allowing states to waive key requirements of the ACA, including EHBs and cost-sharing limits, will likely lead plans in Alaska to impose limitations on other services, which would permit them to impose limitations on coverage of OUD services as well.

Effect of BCRA in Alaska

Ending the Medicaid expansion's federal funding and imposing per capita caps would cut \$2 billion over 10 years from Alaska Medicaid.

Coverage for OUD services is expected to cost \$75 million in 2026; Alaska would only get \$21 million in federal funding from the opioid fund proposed in BCRA.

67,000 Alaskans could lose access to mental health services if BCRA is enacted.

Reduced services for pregnant women with OUD

– Alaska's rate of neonatal abstinence syndrome (NAS), a condition affecting newborns caused by in utero exposure to opioids, is among the highest in the country. The elimination of EHBs, particularly if coupled with an ineffective parity requirement, would lead health plans in Alaska to reduce coverage for MAT with methadone and buprenorphine, the standard of care for pregnant women with OUD, and will increase the rate of NAS in the state.

Higher uncompensated mental health and OUD care

– States that expanded Medicaid, like Alaska, experienced large decreases in uncompensated SUD

and mental health care. Cuts to federal Medicaid funding will shift the cost of treating low-income individuals with OUD to safety-net providers and local hospitals, likely leading to higher costs for everyone.

Increased state budget deficit – The cost of coverage for OUD treatment in Alaska is expected to be \$75 million in 2026. BCRA would eliminate the enhanced federal funding for the Medicaid expansion and in its place would establish an opioid fund to be distributed among all states. It is estimated that Alaska's share of this fund would be only \$21 million and the state would have to cut coverage of OUD services or significantly increase state spending.

Higher costs to Alaska's economy – The total cost of the opioid epidemic to the U.S. economy is estimated at over \$78.5 billion each year. By reducing access to evidence-based prevention and treatment, BCRA will likely increase the number of people with OUD and the number of people with OUD who cannot access timely, effective treatment. This will contribute to higher criminal justice costs and loss of productivity in states that have been impacted by the opioid epidemic, like Alaska.

BCRA will harm individuals with OUDs and will worsen the opioid epidemic in Alaska.