

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. In Arizona, the number of opioid-related overdose deaths increased 74% from 2012 to 2016. In response, Governor Doug Ducey declared a statewide health emergency in June 2017.

The Affordable Care Act (ACA) has been a vital tool in Arizona's fight against the opioid epidemic. Thanks to the Medicaid expansion and the individual marketplace, more than 78,700 Arizonans with serious mental illness and/or substance use disorders (SUD) have gained access to health insurance. Under the ACA, 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 other services.

BCRA will repeal most of the ACA's protections for people with opioid use disorders (OUD) in Arizona 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 Arizona 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 eliminate annual limits on cost-sharing. Such waivers would likely lead health plans in Arizona 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.

Arizona SUD Coverage Facts

15,400 Arizonans with SUD and/or serious mental illness have gained health insurance as a result of the Medicaid expansion.

21,553 Arizonans with SUD have gained health insurance in the ACA's individual marketplace.

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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 Arizona to impose limitations on other services, which would permit them to impose limitations on coverage of OUD services as well.

Effect of BCRA in Arizona

Ending the Medicaid expansion's federal funding and imposing per capita caps would cut \$51 billion over 10 years from Arizona Medicaid.

Coverage for OUD services is expected to cost \$845 million in 2026; Arizona would only get \$127 million in federal funding from the opioid fund proposed in BCRA.

395,000 Arizonans could lose access to mental health services if the BCRA is enacted.

Reduced services for pregnant women with OUD

– Arizona's rate of neonatal abstinence syndrome (NAS), a condition affecting newborns caused by in utero exposure to opioids, has doubled since 2009. The elimination of EHBs, particularly if coupled with an ineffective parity requirement, would lead health plans in Arizona 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 Arizona, 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 Arizona is expected to be \$845 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 Arizona's share of this fund would be only \$127 million and the state would have to cut coverage of OUD services or significantly increase state spending.

Higher costs to Arizona'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 Arizona.

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