

## Medicaid Per Capita Caps Hurt Individuals Affected by the Opioid Epidemic

NeLP

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 epidemic overdose epidemic. In Pennsylvania, opioid-related overdose deaths increased by 24% from 2014 to 2015.

Medicaid, which provides comprehensive coverage of opioid use disorder (OUD) treatment for low-income individuals, is a vital tool in Pennsylvania's fight against the opioid epidemic. Medicaid coverage in Pennsylvania includes treatment with all three FDA-approved medications for the treatment of opioid dependence, and naloxone, a medication that can reverse an opioid overdose if given in time. Medicaid funding is vital to ensuring that Pennsylvanians with and at risk for OUD have access to evidence-based, cost-effective prevention and treatment services.

Per capita caps would cut Medicaid funding and harm those who need health care the most, including low-income individuals at risk of overdose.

### Medicaid per capita cap cuts would result in:

**Fewer individuals with OUD with insurance coverage** – In response to cuts to Medicaid funding, Pennsylvania will likely reduce Medicaid eligibility and restrict coverage for low-income adults with OUD.

**Reduced access to medication-assisted treatment (MAT) and naloxone** – Cuts in federal Medicaid funding will result in less funding for highly effective overdose prevention medications like buprenorphine, methadone, and naloxone. Because the out-of-pocket cost of these life-saving medications is highly prohibitive, low-income Pennsylvanians with and at risk of OUD would be unable to afford them without Medicaid's prescription drug coverage, resulting in higher rates of OUD and more overdose deaths.

**Gutting of mental health parity requirements** – While Medicaid is required 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. Cuts to Medicaid funding may lead Pennsylvania to reduce coverage of these services, which would permit the state to reduce coverage of OUD services as well.

### Pennsylvania Medicaid Facts

80,910 Pennsylvanians with substance use disorders and/or serious mental illness have gained health insurance as a result of the Medicaid expansion.

Medicaid pays for 29% of all buprenorphine treatment in Pennsylvania.

Per capita caps would cut \$18 billion from Pennsylvania Medicaid.

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**Onerous requirements for coverage of OUD services** – Facing Medicaid cuts, it is likely that Pennsylvania will impose burdensome utilization controls, like prior authorization and quantity limits, on coverage of OUD services. These barriers have no basis in evidence and would likely lead to more Pennsylvanians with poorly controlled OUD and more preventable overdose deaths.

**Reduced services for pregnant women with OUD** – Pennsylvania's rate of neonatal abstinence syndrome (NAS), a condition affecting newborns caused by in utero exposure to opioids, has increased tenfold since 2000. Cuts to Medicaid funding would likely lead Pennsylvania 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.

**Reduced ability to introduce innovative approaches to address the opioid epidemic** – Per capita cap proposals subject Section 1115 demonstration spending to Medicaid funding caps. Pennsylvania's ability to expand access to OUD treatment through a Section 1115 demonstration would be limited if Medicaid funding is reduced as a result of per capita caps.

**Higher uncompensated mental health and OUD care** – States that expanded Medicaid, like Pennsylvania, experienced large decreases in uncompensated OUD and mental health care. Imposing a cap on Medicaid funding will shift the cost of treating low-income individuals with OUD to safety-net providers and hospitals, likely increasing costs for everyone.

**Higher costs to Pennsylvania'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, per capita cap cuts 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, which will continue to disproportionately affect states that have been impacted by the opioid epidemic, like Pennsylvania.

**Per capita caps will harm individuals with OUDs and will worsen the opioid epidemic in Pennsylvania.**

### Additional information

- NHeLP, [Protect Medicaid Funding: Substance and Opioid Use Disorders](#) (Jan. 2017).
- NHeLP, [Medicaid and the ACA: Vital Tools in Addressing the Opioid Epidemic](#) (Feb. 2017).
- NHeLP, [Health Advocate: Medicaid Caps and the Opioid Epidemic](#) (June 2017).