

Introduction

The nation's opioid epidemic claimed more than 42,000 lives in 2016, and more than 2 million people in the United States have an opioid use disorder (OUD)—with nearly another 10 million at risk due to misuse of these drugs. Yet, only 1 in 5 people suffering from an OUD receive treatment. The federal government has responded to the crisis by declaring a public health emergency¹ and making over \$500 million of OUD-targeted funding available to states last year.² More recently, in its Bipartisan Budget Act of 2018, Congress added \$3 billion a year in opioid funding for 2018 and 2019 (\$6 billion in total funding); the president's budget calls for \$10 billion across multiple agencies for addressing the opioid crisis. While critical, these dollars (and the programs they fund) pale in comparison to the scale and scope of resources the Medicaid program brings to states to combat the opioid epidemic and other substance use disorders (SUD). Indeed, today, Medicaid covers more than 1 in 3 people with an OUD, and program spending for people with an OUD in 2013 (*before* Medicaid expansion in many states) was more than \$9 billion.

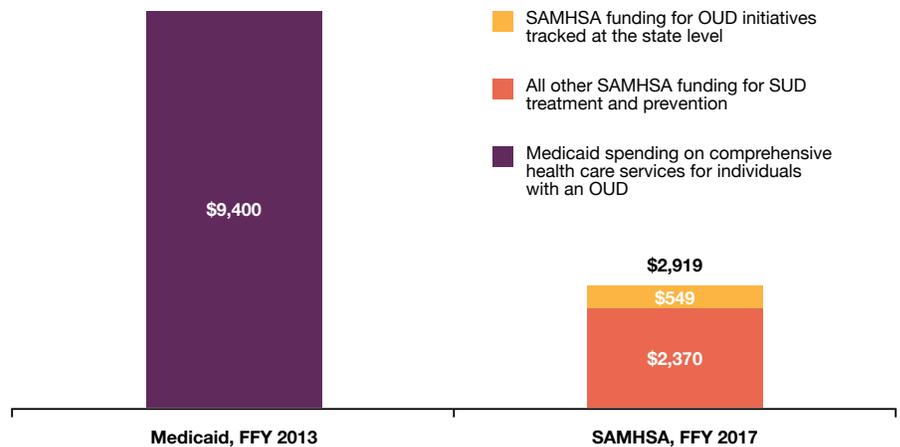
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Medicaid Provides Access to Prevention, Treatment, and Recovery Services Along With Comprehensive Coverage

Beyond the substantial and essential funding that Medicaid brings to states, Medicaid provides access to prevention, treatment, and recovery services for those with an OUD, as well as comprehensive coverage for the full array of physical and behavioral health services to treat co-occurring conditions, increasing their odds of long-term recovery. Medicaid also provides a structured system of accountability for providers, and accountability and access for those enrolled, with multiple touch points throughout the health care delivery system—community health centers, emergency rooms, inpatient and outpatient care settings—as well as data systems that can help to identify those with addiction and engage them in treatment.

In the [full issue brief](#), data from three states—New Hampshire, Ohio and West Virginia—highlight Medicaid's role as the linchpin in states' efforts to combat the opioid epidemic.

Exhibit 1. Medicaid Spending for People with an OUD Compared to Non-Medicaid Federal Grants to States for OUD/SUD Treatment and Prevention (millions)



Conclusion

While recent federal efforts to provide OUD-specific grant funding are an essential contribution, the profound economic and social consequences of addiction require substantial and sustained investment in coverage and treatment through the Medicaid program. In short, Medicaid is an existing, robust and stable base from which states are battling, and will continue to battle, the opioid epidemic and SUD issues more broadly. This is particularly true in states that have expanded Medicaid; Medicaid expansion enables these states to provide a wider range of services to a larger group of people suffering from an OUD.

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ABOUT STATE HEALTH AND VALUE STRATEGIES—PRINCETON UNIVERSITY WOODROW WILSON SCHOOL OF PUBLIC AND INTERNATIONAL AFFAIRS

State Health and Value Strategies (SHVS) assists states in their efforts to transform health and health care by providing targeted technical assistance to state officials and agencies. The program is a grantee of the Robert Wood Johnson Foundation, led by staff at Princeton University's Woodrow Wilson School of Public and International Affairs.

The program connects states with experts and peers to undertake health care transformation initiatives. By engaging state officials, the program provides lessons learned, highlights successful strategies and brings together states with experts in the field. Learn more at www.shvs.org.

ABOUT MANATT HEALTH

This brief was prepared by April Grady, Patricia Boozang, Deborah Bachrach, Adam Striar, and Kevin McAvey. Manatt Health is an interdisciplinary policy and business advisory division of Manatt, Phelps & Phillips, LLP, one of the nation's premier law and consulting firms. Manatt Health helps clients develop and implement strategies to address their greatest challenges, improve performance, and position themselves for long-term sustainability and growth. For more information, visit www.manatt.com/ManattHealth.aspx.

Endnotes

1. HHS Acting Secretary Declares Public Health Emergency to Address National Opioid Crisis, U.S. Department of Health and Human Services website, <https://www.hhs.gov/about/news/2017/10/26/hhs-acting-secretary-declares-public-health-emergency-address-national-opioid-crisis.html> Published October 26, 2017. Accessed March 1, 2018.
2. Substance Abuse and Mental Health Services Administration, U.S. Department of Health and Human Services website, *HHS FY 2018 Budget in Brief – SAMHSA*, <https://www.hhs.gov/about/budget/fy2018/budget-in-brief/samhsa/index.html> Accessed March 1, 2018.