(Contraction)

JOINT ECONOMIC COMMITTEE DEMOCRATS

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U.S. Senator Martin Heinrich • Ranking Member

TrumpCare, Medicaid, and the Opioid Crisis

"Thank God we expanded Medicaid because that Medicaid money is helping to rehab people [with substance use disorders]." - Ohio Governor John Kasich

TrumpCare Will Reverse Progress Made for Addiction Care

The Affordable Care Act (ACA) made significant <u>progress</u> in expanding and providing treatment to people with substance abuse disorders (SUD). Medicaid expansion alone helped an additional <u>1.3 million</u> people to access behavioral health care services and decreased the unmet need for SUD treatment among low-income adults by <u>18 percent</u>.

Nationally, Medicaid covers about a <u>quarter</u> of life-saving medication-assisted treatment (MAT) payments for opioid and heroin addictions. For many states, Medicaid accounts for an even larger share of MAT payments. For example, Medicaid pays for 30 percent of MAT in New Mexico, and 50 percent in Ohio. Research shows that Medicaid expansion was <u>effective in</u> <u>increasing access</u> and decreasing financial barriers to life-saving MAT treatments.

TrumpCare Undermines States' Ability to Respond to Public Health Crises

Medicaid plays an essential role in responding to public health crises. The federal matching mechanism allows states to scale funding up and down as necessary to respond to local disasters and crises. Medicaid was <u>essential</u> to fighting the HIV/AIDS epidemic, and responding to the aftermath of the 2001 World Trade Center attack, Hurricane Katrina, and the lead contamination crisis in Flint, Michigan.

Medicaid plays a similar role for the opioid epidemic, and states are using the flexibility they have through the program to fight this epidemic. Already, Maryland, Rhode Island, and Vermont have <u>used federal Medicaid funding</u> to treat people with opioid addictions by putting in place intensive care management and care coordination programs.

Short-term grant programs – which can provide much needed funding to states – are insufficient on their own to fully address the opioid crisis. Compared to the <u>\$4.5 billion</u> of annual funding that Medicaid expansion provides to states for behavioral health services, the combined \$681 million per year of funding (while it lasts) from the <u>Comprehensive Addiction and Recovery Act</u> (CARA) and the <u>21st Century Cures Act</u>, while important, will not provide enough funding to struggling states. States also get SUD prevention funding from Department of Health and Human Services block grants, but those grants lost <u>26 percent</u> of their buying power from 2006 to 2015. Temporary funding and block grants fail to fully meet states' needs in fighting the opioid epidemic and can only serve as a complement to funds from Medicaid expansion and the ACA.

We don't rely on grant dollars to treat a disease like cancer, and we cannot rely solely on this money to treat addiction.

TrumpCare Shifts the Burden for Fighting the Opioid Epidemic onto States

The House-passed American Health Care Act would cut about <u>\$4.5 billion</u> annually for treatment for mental health disorders and SUDs by ending the ACA's Medicaid expansion and artificially capping the program. This would seriously decrease the amount of funding that states receive from the federal government for Medicaid. Overall, repealing the ACA, along with its behavioral health provisions, would result in approximately <u>2.8 million</u> individuals with SUDs losing some or all of their coverage. President Trump's recently released budget would further undermine efforts to curb the opioid epidemic. In addition to TrumpCare's \$839 billion Medicaid cut, the President's budget makes cuts to Medicaid, resulting in a combined <u>\$1.3 trillion</u> cut by 2026.



Click <u>here</u> to watch Richard Frank at the Joint Economic Committee hearing on the economic impact of the opioid crisis.

In exchange for these cuts, House Republicans offer \$15 billion over ten years for maternity, mental health, and substance use disorder care. If we assume that these funds will be spread out evenly across states and the entirety of these funds would go to behavioral health services and not to maternity care, each state would receive \$30 million each year. In Ohio, federal Medicaid dollars pay for more than \$400 million in drug addiction and behavioral health services – over 40 percent of Ohio's effort to reduce drug abuse and overdose deaths. This \$30 million for behavioral health fails to hold a candle to the treatment power of Medicaid for Ohio.

"[T]hose funds will simply not be close to adequate to fund the services that would be lost as a result of the elimination of the Medicaid expansion, the restructured subsidies, the flexibility with respect to Essential Health Benefits and underwriting practices and the Medicaid measures recently articulated in President Trump's budget."

-Dr. Richard Frank, <u>Testimony</u> to the Joint Economic Committee

TrumpCare Lets Insurers Discriminate Again

Millions of Americans who have pre-existing conditions will be vulnerable to premium increases under TrumpCare. The Congressional Budget Office estimates that out-of-pocket costs for substance abuse and mental health services could increase by *thousands* of dollars every year for individuals across the country. According to the Center for American Progress, a 40-year-old individual with drug dependence could see a premium increase of <u>over \$20,000</u> a year. To distract from how their bill would hurt Americans with substance abuse disorders, some Republicans are trying to make the misleading claim that the ACA, which provides health care to tens of millions of Americans, is contributing to the opioid crisis. This claim confuses the root of the problem with the provision of health care, and fails to take into account the major benefits to those with SUDs from the ACA.

Instead of taking away access to treatment from those with substance use disorders, we should be focusing on helping those who are suffering get access to treatment and ensuring that our medical system, as a whole, is focused on alternative methods to pain treatment besides opioids. Long-term pain management that doesn't rely solely on a pill – such as physical therapy and other treatments – is critical. TrumpCare fails on all these counts. Taking away access to treatment will not solve this epidemic.