2023

Impact of Medicaid expansion on substance abuse treatment

Kyle Chapman

IMPACT OF MEDICAID EXPANSION ON SUBSTANCE ABUSE TREATMENT

ABSTRACT

Introduction: The Medicaid expansion has insured millions of Americans since the passage of the Affordable Care Act in 2010. Among this newly insured population, many of the enrollees have been diagnosed with a substance abuse disorder. Patients who have a substance use disorder diagnosis typically have multiple conditions that are treated simultaneously. When these patients have to seek healthcare services they are often uninsured. Unfortunately, since the patients are uninsured, the most frequent healthcare access points have been through admissions to more expensive areas of healthcare delivery such as the emergency department and subsequent inpatient services. The goals of the Medicaid expansion not only included expanding coverage to the uninsured, but it also attempted to increase access to various forms of treatments while also decreasing the overall delivery of uncompensated care. Uncompensated care has been a persistent budgetary strain to healthcare providers across the nation.

Purpose of study: This research attempted to examine how the Medicaid expansion specifically impacted the SUD population's access to treatments, whether uncompensated care utilization among this population was impacted, and whether the expanded coverage impacted the overall healthcare spending across the country.

Methodology: This research summarizes the relative peer review articles and their descriptions of the impact Medicaid expansion has had on the SUD population. An interview with a subject matter expert was also used in this research.

Results/Discussion: The examination of expanded treatment access to services like medication-assisted-treatment has shown notable promise. There was also progress observed in uncompensated care utilization rates for facilities delivering treatment to SUD patients, including

community health centers and emergency departments. However, overall spending trends for the entire healthcare sector showed mixed results. Much of this research was dependent upon state adoption of the Medicaid expansion. At the time of this research, 41 states have accepted the terms of the Medicaid expansion, while 9 states have opted not to participate. The impact that non-expansion states have had on overall research numbers is a potential subject of further research.

Keywords: Substance Use Disorder, Community Health Centers, Medicaid, expansion, access, utilization

INTRODUCTION

The United States' drug epidemic has long been a burden on the US populist. In 2017 there were 19.7 million individuals with a substance use disorder (SUD), representing 7.2% of the entire population above the age of 12 years old (Zhen-Duan et al, 2021). In that same year, 70,237 Americans with a SUD died from a drug overdose (Scholl et al, 2018). These overdoses typically required expensive emergency room services and inpatient hospitalizations, often without insurance coverage (Gryczynski et al, 2016). The uncompensated utilization of services has put financial strains on the entire healthcare system. The Substance Abuse and Mental Health Services Administration (SAMHSA) defines a SUD as a condition when the recurrent use of alcohol and/or drugs causes clinically significant impairment, including health problems, disability, and failure to meet major responsibilities at work, school, or home (SAMHSA, 2023).

The Medicaid expansion passed under the Affordable Care Act (ACA) expanded coverage to 21 million Americans with incomes up to 138% of the federal poverty line (CMS, 2022). Among the newly insured Medicaid population, patients with a clinically identified SUD represented approximately 7.3% of the enrollees (Saunders, 2023). Expansion has allowed the

SUD Medicaid population access to several treatment options including inpatient services, outpatient services, and Medication Assisted Treatment (MAT) (Saunders et al, 2023). However, access to the Medicaid expansion coverage has been dependent upon state acceptance of the ACA expansion, and individual state coverage options for SUD treatment.

There are limited treatment options for SUD patients, but medication and therapy are often provided in tandem as a comprehensive treatment approach. One of the most standard of these options is the evidence-based approach of medicine assisted treatment (Cohen et al, 2021). There are several drugs that have been used for MAT, including buprenorphine, methadone, and naltrexone. Studies have shown that MAT treatment has been an effective tool for lowering overdose rates and increasing abstinence rates (Oesterle et al, 2019).

The SUD population often requires other ongoing treatment regimes in conjunction with MAT. Behavioral health services, like therapy and rehab, are critical to SUD patient successes and can be administered by inpatient or outpatient facilities. Inpatient services can involve serious medical treatments and often require stays in psychiatric wards where patients receive psychiatric therapy and medications. Once a patient leaves the inpatient facility, they often will continue treatment through outpatient programs. These programs offer treatment options such as individual and group counseling, patient education services, treatment planning, and many others (McCarty et al, 2014).

While participating in the outpatient programs, many SUD patients will also seek continued recovery in community-based homes with other recovering addicts, known as recovery homes. These recovery homes have blossomed over the years due to the drug epidemic in the US. In 2020, there were approximately 17,900 recovery homes in the US and 1.2% of the SUD patient population use these homes every year (Wiedbusch et al, 2020).

The SUD services covered under Medicaid can vary significantly between states. However, the ACA required Medicaid to cover a minimum of 10 essential health benefits (EHB), which includes “mental health and substance use disorder services, including behavioral health treatment” (Lilienfeld, 2015). States were also granted permission to provide alternative benefit plans (ABP) “specifically tailored to meet the needs of certain Medicaid population groups” (Medicaid.gov). This has allowed states to cover SUD services beyond the 10 mandatory EHB established under the ACA. As a result of some states adopting ABPs while others have not, coverages for SUD treatment have been inconsistent throughout the US.

Uncompensated care has been a significant source of revenue loss for healthcare providers over the years. Between 2015 and 2017, annual uncompensated care costs averaged $42.4 billion (Kartman et al, 2021). The Medicaid eligible population is by definition a low-income populace, which raises the probability that healthcare services would go unpaid for when treatment was obtained. The SUD population has also shown tendencies in some aspects to utilize care more frequently. SUD patients have demonstrated 20% higher odds over the non-SUD population of being readmitted within 30 days of discharge after an inpatient care stay (Mejia de Grubb et al, 2020). The high-risk lifestyle that is often associated with these disorders may contribute to a higher likelihood of needing to access healthcare services. Whether patients are seen for a sudden life-threatening overdose episode in an expensive emergency room (ER), or seeking long term treatment for chronic infectious diseases.

The purpose of this research is to determine what impacts the ACA Medicaid expansion has had on the SUD population’s access to treatment, uncompensated hospitalization rates, and the overall healthcare costs or savings from the expanded insurance coverage.

The intended methodology for this qualitative study was a literature review and semi structured interview with an expert in SUD treatments.

METHODOLOGY

The hypothesis of this study was: Medicaid expansion has increased the SUD population's access to treatment, lowered their uncompensated hospitalization rates, and decreased their overall healthcare costs to providers.

The methodology for this study consisted of a qualitative literature review in conjunction with a semi-structured interview involving a professional in the SUD care field. Research articles and peer-reviewed literature were located using ProQuest and PubMed research databases. When information could not be located using these databases, Google Scholar was then used. The Google search engine was also used to research government and private associate websites. Key words used in the search included 'SUD' OR 'CHC' OR 'ACA' AND 'Medicaid' OR 'expansion' OR 'access' OR 'utilization'. The search included 89 relevant citations and articles were excluded (N=56) if they did not meet inclusion principles. Articles were included (N=20) if they referenced Medicaid impacts on SUD: articles from other sources (N=13) were also included in this search. These 33 references were subject to full-text review, and these 33 citations were included in the data abstraction and analysis. Only 20 references were used in the results section (Figure 1). The thirty-three articles reviewed were limited to the English language and were published between the years of 2012 through 2023. A conceptual framework (Andrews et al, 2019) was adopted from a study that examined the how the Medicaid expansion impacted uninsured rates among SUD treatment patients and if access to SUD healthcare was impacted. This conceptual framework was chosen due to the close connection it had to the purpose of this research (see Figure 1).

The framework shows the relationship involving the Medicaid expansion and its impacts on the uncompensated care rates among SUD patients, as well as impacts on overall healthcare spending.

An interview with James Williamson, owner and operator of Resource Recovery Group in Huntington, WV was utilized as a source of research for vital data that contributed to the literature review. This interview was approved by an IRB with Marshall University, and an informed consent form was reviewed and signed by Mr. Williamson. This interview was tape-recorded and only answers that were relevant were used to support the information found in the literature review to provide a more in-depth overview of the impact that Medicaid's expansion had on SUD treatment. The information gained from these articles, websites, and interview were used as the sources of primary and secondary materials. Following the review of relevant abstracts, appropriate articles were used for the reporting of information and conclusions. This search was completed by KC and validated by AC who acted as second reviewer and determined if the references met inclusion criteria.

RESULTS

Medicaid Expansion Access

There have been numerous studies conducted about the impacts Medicaid expansion has had on access to healthcare services. This has also proven to be true for the SUD population and behavioral health services. One study found that admissions to specialty treatment facilities have increased 18% since the expansion with almost all of these coming from Medicaid beneficiaries, which saw a 113% increase in admissions (Guth, Garfield, and Rudowitz, 2020). There has also been some evidence suggesting that Medicaid enrollees in expansion states have seen greater access to treatment than those that chose not to expand. In the first four years following the

ACA, expansion states saw 36% more admissions to treatment than non-expansion states with Medicaid coverage increasing by 23% (Saloner and Maclean, 2020).

There has also been a noticeable difference noted in the psychiatric care that SUD patients have gained access to after the expansion. Many residential SUD treatment facilities offer psychiatric services to their residents. In the decade after the expansion these residential services have seen an increase of 34% in the prescriptions of psychiatric medications (Shover et al, 2019). Though numerous SUD patients now have insurance coverage through Medicaid, many still have not been able to receive the psychiatric services they need. The most notable issue has been that many SUD patients have had limited access to specialty providers who treat SUD conditions and co-occurring mental health issues (Geissler and Evans, 2021).

There has also been an increase observed in the access to Medicaid covered prescriptions to treat SUD. Prescriptions for buprenorphine, a popular addiction maintenance medication, has soared after expansion. Between June 2013 and May 2018 monthly prescriptions of buprenorphine increased by 68% overall, and by 283% for Medicaid (Knudsen, Hartman, and Walsh, 2022). However, SUD prescription drug coverage has seen a noticeable difference between expansion and non-expansion states. Expansion states saw a 43% increase in the Medicaid covered prescriptions for SUD treatment from outpatient facilities in relation to non-expansion states (Maclean and Saloner, 2019).

Uncompensated Utilization

Since the passage of the ACA, there has been significant increases in the overall Medicaid enrollment numbers. However, the majority of the SUD population still pays for treatment using private health insurance. Approximately 57% of nonelderly adults suffering from any substance

use disorder is covered by private health insurance, while Medicaid covers 21% of the same population (Saunders and Rudowitz, 2022). Though the majority of the SUD population is on private insurance, Medicaid will often times pay for more comprehensive and long-term coverage that many SUD patients require (Musumeci, Chidambaram, and Orgera, 2019). Studies surrounding the overall utilization of the newly insured Medicaid population, specifically in the ER or inpatient settings, have been mixed. Some studies have shown an increase in the utilization of these departments, while others have shown no discernible difference since expansion. One study has shown that after expansion there has not been significant increases in the SUD patient population's inpatient admissions, showing an increase of just 83 per 100,000 in annual admissions relative to non-expansion states, or a total of 7.8% increase compared to pre-expansion (Maclean and Saloner, 2019).

There has been however, more agreement that uncompensated care has decreased in states with expanded coverage. In expansion states, overall Medicaid patient volume and revenue has been higher than non-expansion states, while simultaneously seeing lower overall uncompensated care costs comparatively (Chang et al, 2023). For SUD patients using opioids specifically, the uninsured hospitalization rate dropped significantly from 13.4% in 2013, to 2.9% in 2015 for states that expanded Medicaid, while non-expansion states showed little difference (Bailey et al, 2021).

Community health centers (CHCs) offer behavioral health services that are essential to SUD treatment, and they are required to provide services regardless of insurance status or ability to pay. Uncompensated care was a source of concern for CHCs in 2017 where it was estimated they spent $2.6 billion caring for the uninsured (Coughlin et al, 2021). CHCs exist in both expansion and non-expansion states. In the first three years after expansion (2010-2013),

uncompensated care for CHCs decreased by $1.19 million in expansion states relative to non-expansion states, and revenues increased by $2.08 million (Luo et al, 2022).

SUD Impact on Overall Healthcare Costs

Healthcare costs in the United States have been a heavily researched part of the economy. The SUD population has also been studied to understand what impacts these conditions have had to the nation's healthcare expenses. It has been estimated that SUD medical costs to hospitals have been approximately $13.2 billion annually (Peterson et al, 2021). Per capita, SUD patients cost hospitals $1176 annually with Medicaid funding more than one-third of those costs (Ryan and Rosa, 2020). Two of the largest areas of healthcare costs come from ER visits and inpatient hospital admissions. These departments require immense resources and therefore are very costly. In the June 2017 Healthcare Cost and Utilization Project statistical brief, it was discovered that approximately 4% of all ER encounters and 10% of all inpatient hospital encounters had a primary or secondary SUD diagnosis (Peterson et al, 2021). One study which focused on opioid inpatient hospitalizations found that there had been a meaningful drop in opioid related hospitalizations after expansion, with a decrease of 9.74% (Wen et al, 2020). However, the same study found that there did not appear to be any difference post-expansion for ER visits related to opioid usage.

Although patients covered by Medicaid provide healthcare facilities with payment where there might not otherwise have been, there are often other factors to consider. Patients with a SUD may not have a safe place to transition to, and therefore require longer lengths of stay. Medicaid reimbursements typically only cover the required hospital stays, not the extended lengths of stay, which consequently passes the extra cost onto the hospital if the patient is unable

to pay (Garrett et al, 2020). Among patients with a social or behavioral disorder, SUD and mental illness accounted for 81.8% of the excess cost (Garrett et al, 2020).

There has been some evidence to suggest that when SUD patients receive rehabilitation services, the overall US healthcare costs go down. A 2012 fact sheet from the Office of National Drug Control Policy stated that every dollar spent on SUD treatment saves $4 in healthcare costs (Office of National Drug Control Policy, 2012). Rehabilitation centers typically offer MAT as a form of treatment, and there has been evidence that these medications also help to lower overall healthcare costs. According to Medicaid.gov, medical costs saw a 30% decrease between the year before MAT treatment and the third year of treatment (Medicaid.gov).

DISCUSSION

The purpose of this research was to determine what impact the Medicaid expansion has had on the SUD population's access to treatment, rates of uncompensated utilization, and costs or savings to overall healthcare expenditures. The hypothesis was that expansion has increased the SUD population's access to treatment, lowered their uncompensated hospitalization rates, and decreased their overall healthcare costs to providers. Although this research suggests that Medicaid expansion increased access to care, the hypothesis was ultimately rejected due to mixed results regarding the impact on overall healthcare spending, and due to the uncompensated care rate's dependency upon whether a state expanded coverage of not.

Summary of Results

This literature review and interview with the subject matter expert both showed that there have been mixed results for the SUD population in those areas discussed. Access to important SUD treatments such as MAT saw significant prescription increases after the expansion. There has been positive evidenced based research on MAT, and after expansion Medicaid saw a dramatic

increase for these prescriptions. Facilities like CHCs that offer various forms of treatment also saw substantial increases in utilization. The increase in utilization came after expansion and suggests that the SUD population has seen an increase in the access to SUD treatments and therapies.

The research conducted on uncompensated care utilization among the SUD population showed mixed results. Among the states that enacted the Medicaid expansion, results showed that uncompensated care utilization decreased significantly. There was however no discernible change in the amount of ER and inpatient visits among the SUD population, even when in comparison to non-expansion states.

The research also showed mixed results for overall healthcare spending. Studies in this research showed that when money is invested in treatment for SUD patients, there is a notable savings in overall healthcare costs. There was especially a noticeable decrease in cost for Medicaid when patients had access to evidenced based treatments, such as MAT.

Opinions

According to the subject matter expert, the Medicaid expansion was an overall benefit to the SUD population. The main reason stated by the expert for this opinion, was that simple access to normal healthcare services can help diagnosis underlying healthcare issues. These underlying conditions not only include physical ailments, but mental health diagnoses as well. The expert stated that often SUD patients struggle to gain sobriety when underlying physical and mental health issues go untreated. The expert also agreed that rates of ER and inpatient utilization did not show much difference after Medicaid expansion. The expert's opinion on this was that many SUD patients can use Medicaid to receive healthcare provided in these departments and then continue their addiction lifestyles. The expert stated that it was imperative that the SUD patient

truly desire rehabilitative care. If they do not, often they instead continue to cycle through these departments only when they immediately needed health care services or even as a temporary place of refuge. The expert had no opinions on the rates of uncompensated care, or on the overall costs to the healthcare system.

Limitations

This research used articles and peer-reviewed literature using ProQuest and PubMed research databases. When information could not be located using these databases, Google Scholar was then used. The Google search engine was also used to research government and private associate websites. A broader search strategy using more databases may be necessary in future research. There is also potential researcher bias for this research. The initial assumption was that the hypothesis would be proven true, and this could have influenced the research. However, all research was performed with the goal of having limited bias and objective reasoning. While there have been several research papers relating to treatment access for SUD patients after the expansion, there has not been as much research on the utilization rates and overall healthcare cost impacts, specifically of the SUD population. The lack of existing research for those two topics made it more difficult to prove or disprove the hypothesis. The second limitation to this study is that not all states have adopted the Medicaid expansion, and coverages for SUD treatments can vary across states. These inconsistencies make it more difficult to research the impacts the Medicaid expansion has had on overall healthcare spending and utilization rates. Further study is needed to better understand the influences of Medicaid expansion in these areas.

Practical Implications

There are some practical implications to ascertain from this research. Greater access to care for the SUD population was shown to have meaningful impacts on the patients and the healthcare

system. In this regard, a fully national Medicaid expansion could help of others gain access to treatment that has been proven to yield positive results. A fully national Medicaid expansion could also help in the area of uncompensated care utilization rates as well. Although uncompensated utilization rates had mixed results for the emergency room departments, overall uncompensated rates saw substantial decreases in expansion states. If this could be replicated in non-expansion states by expanding Medicaid, there could be a nation-wide decrease in uncompensated care by the SUD population, which could lead to lower overall healthcare costs for everyone. Without a nation-wide adoption of Medicaid, the impact on national healthcare costs cannot be adequately studied, leaving us with best guess assumptions instead.

There are also some head winds impacting how many people are enrolled in Medicaid that began this year. Now that the impacts of COVID-19 have faded, the federal government is has announced they will be releasing millions of Americans from the Medicaid rolls. This will undoubtedly have an impact on the SUD population that was able to gain expanded coverage during the pandemic, who will now find themselves without access to affordable treatment.

Conclusion

Although this research found that access to SUD treatment did increase, the impacts on uncompensated care utilization and overall cost implications were less notable. Further research is needed to broaden the information available for study on these topics. With more research, a clearer picture of the Medicaid expansion's impact on the SUD population and healthcare can be developed.