

MEMORANDUM
January 17, 2018

To: Members of the Senate Committee on Homeland Security & Governmental Affairs (HSGAC)
Fr: HSGAC Minority Staff
Re: Additional Information on the Relationship between Medicaid Expansion and the Opioid Epidemic

Medicaid is a federal program jointly funded by states and the federal government that provides health care coverage to low-income adults, children, pregnant women, people with disabilities, and elderly individuals.¹ When enacted, the Affordable Care Act (ACA) required states to offer Medicaid coverage to adults between the ages of 18 and 65 with incomes up to 133% of the federal poverty level.² States were required to provide Medicaid to those individuals regardless of health or family status by 2014.³ The U.S. Supreme Court subsequently held that the ACA's Medicaid expansion was unconstitutionally coercive, making expansion optional for states.⁴ As a result, to date 32 states and the District of Columbia have expanded Medicaid and 18 states have not expanded Medicaid.⁵

Critics of the ACA, including Senator Ron Johnson, Chairman of the U.S. Committee on Homeland Security and Governmental Affairs, have recently alleged that Medicaid expansion may be fueling the opioid epidemic in communities across the country.⁶ At the request of Ranking Member Claire McCaskill, this memorandum provides information on Medicaid expansion and the opioid epidemic. Key findings include:

- The opioid epidemic predates Medicaid expansion.
- Recent increases in opioid mortality stem from fentanyl and heroin, not prescription opioids.

¹ U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, *Medicaid: Overview* (www.medicaid.gov/medicaid/index.html) (accessed Jan. 16, 2018).

² U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, *Medicaid & CHIP: Medicaid expansion & what it means for you* (www.healthcare.gov/medicaid-chip/medicaid-expansion-and-you/) (accessed Jan. 17, 2018).

³ *Id.*

⁴ *National Federation of Independent Business v. Sebelius*, 567 U.S. 519 (2012).

⁵ Families USA, *A 50-State Look at Medicaid Expansion* (Jan. 2018) (<http://familiesusa.org/product/50-state-look-medicaid-expansion>).

⁶ See, e.g., Letter from Senator Ron Johnson, Chairman of the U.S. Senate Committee on Homeland Security and Governmental Affairs, to Daniel R. Levinson, Inspector General, U.S. Department of Health and Human Services (Jul. 27, 2017); *Medicaid fueling opioid epidemic? New theory is challenged*, Associated Press (Aug. 31, 2017) (www.apnews.com/a860fb7b0e0c4117b9420b3bcfb928c6).

- Mortality data indicate there is no statistically significant evidence that Medicaid expansion affects drug-related overdoses.
- Empirical research indicates determinants of opioid deaths are demographic characteristics and prescriber behavior.
- States that expand Medicaid under the Affordable Care Act are better equipped to address behavioral health care and substance abuse treatment needs.

I. OPIOID EPIDEMIC PREDATES MEDICAID EXPANSION

One method to establish causation is to demonstrate that the causes preceded the effects. Historical statistical data indicate that the opioid epidemic predates Medicaid expansion in the ACA. In 1995, Purdue Pharma introduced OxyContin, a controlled-release opioid, and overdoses across the United States increased rapidly. Between 1997 and 2002, OxyContin prescriptions for non-cancer pain grew from 670,000 to 6.2 million.⁷ Mortality rates attributed to opioid overdoses doubled between 1999 and 2013.⁸

According to an analysis conducted by Andrew Goodman-Bacon, an assistant professor of economics at Vanderbilt University, a statistical analysis of mortality rates indicate that the upward trend in drug poisoning started in 2010, four years prior to the expansion of Medicaid.⁹ He wrote, in conjunction with his co-author Emma Sandoe:

Figure 1 plots age-adjusted drug-related mortality rates among those aged 25-54 in states that did and did not expand Medicaid under the ACA ... The figure also plots the difference in mortality between expansion and non-expansion states (relative to the difference in 2009; dashed lines are 95-percent confidence intervals based on standard errors clustered by state). Expansion states did have relatively more drug deaths than non-expansion states in 2015, but the upward trend in deaths in expansion states started in 2010, four years before the Medicaid expansion began. The results are the same if we exclude the six early expansion states. By the simplest criterion for causality, that causes must precede effects, these results cannot be taken as evidence of Medicaid expansion causing these deaths.¹⁰

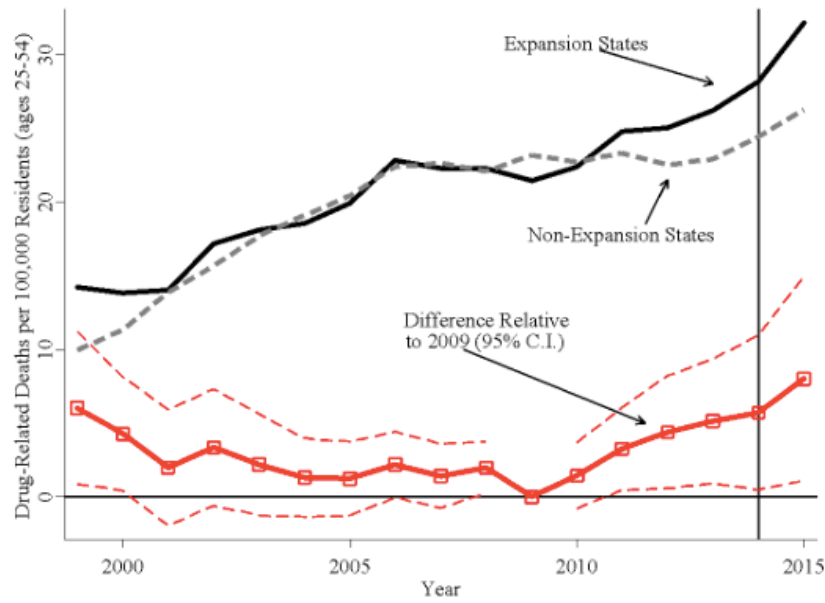
⁷ Andrew Goodman-Bacon and Emma Sandoe, *Did Medicaid Expansion Cause the Opioid Epidemic? There's Little Evidence That It Did*, Health Affairs (blog) (Aug. 23, 2017) (<http://healthaffairs.org/blog/2017/08/23/did-medicaid-expansion-cause-the-opioid-epidemic-theres-little-evidence-that-it-did/>).

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

Figure 1. Age-Adjusted Drug-Poisoning Mortality Rate for Ages 25-54 by Medicaid Expansion Status, 1999-2015



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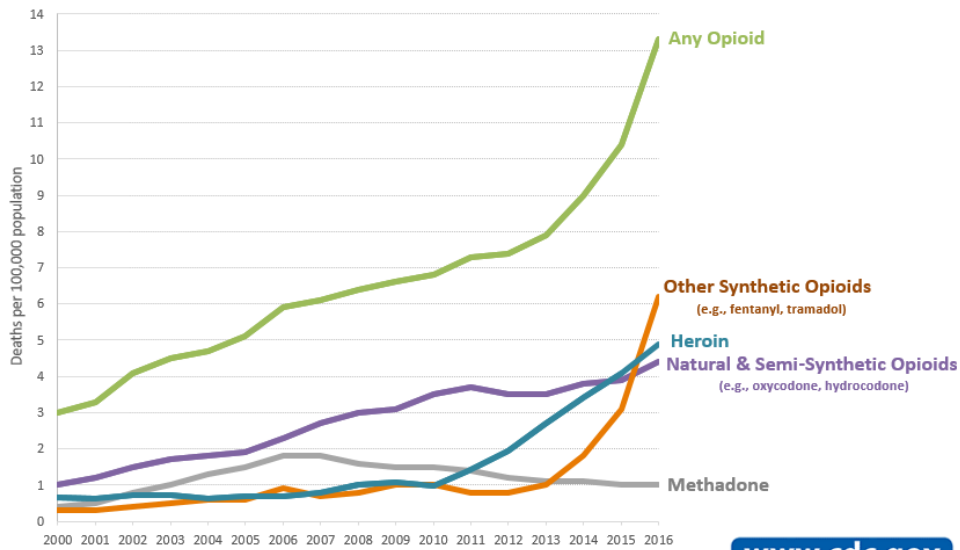
II. RECENT INCREASES IN OPIOID MORTALITY STEM FROM FETANYL AND HEROIN, NOT PRESCRIPTION OPIOIDS

Since 2013, nearly all increases in opioid overdoses are attributable to heroin and heroin substitutes, including fentanyl. Data from the U.S. Centers for Disease Control indicate that although overdose deaths containing any opioid is continuing to increase, recent surges in overdoses result from heroin and other synthetic opioids such as fentanyl, carfentanyl, and tramadol.¹²

¹¹ *Id.*

¹² U.S. Centers for Disease Control and Prevention, *Opioid Data Analysis* (<https://www.cdc.gov/drugoverdose/data/analysis.html>) (accessed Jan. 16, 2018).

Overdose Deaths Involving Opioids, by Type of Opioid, United States, 2000-2016



SOURCE: CDC/NCHS, National Vital Statistics System, Mortality, CDC WONDER, Atlanta, GA: US Department of Health and Human Services, CDC, 2016. <https://wonder.cdc.gov/>.



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III. MORTALITY DATA INDICATE THERE IS NO STATISTICALLY SIGNIFICANT EVIDENCE THAT MEDICAID EXPANSION AFFECTS DRUG-RELATED OVERDOSES

In 2017, Brendan Saloner from the Johns Hopkins Bloomberg School of Public Health and Johanna Maclean of Temple University issued a paper on the impact of Medicaid expansion under the Affordable Care Act on substance abuse disorder treatment utilization and financing.¹⁴ In this research, Saloner and Maclean examined data from the National Vital Statistics Mortality Files between 2010 and 2015 and narrowed the data set to deaths classified as alcohol poisonings and drug-related overdoses.¹⁵ They further narrowed the data to poisonings and overdoses among non-elderly adults aged 18 to 64 years and compared deaths within expansion and non-expansion states.¹⁶ The authors found “no statistically significant evidence that Medicaid expansions affected fatal alcohol poisonings or drug-related overdoses.”¹⁷

¹³ *Id.*

¹⁴ Maclean, J. C., & Saloner, B. (2017), *The Effect of Public Insurance Expansions on Substance Use Disorder Treatment: Evidence from the Affordable Care Act* (No. w23342), National Bureau of Economic Research.

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.*

IV. EMPIRICAL RESEARCH INDICATE DETERMINANTS OF OPIOID DEATHS ARE DEMOGRAPHIC CHARACTERISTICS AND PRESCRIBER BEHAVIOR

The *American Journal of Public Health* published a literature review of empirical research that found: “Opioid-related mortality trends have been marked by considerable sociodemographic differences.”¹⁸ The authors wrote:

We found 22 studies ... that examined the contribution of sociodemographic characteristics, including race/ethnicity, gender, age, socioeconomic status (SES), and rural–urban residence, to increased opioid-related mortality. In general, opioid-related mortality rates have been higher among men, non-Hispanic Whites and American Indian/Alaska Natives, middle-aged individuals, those living in rural areas, and those of lower SES.¹⁹

The authors also reviewed the empirical data regarding the role of prescriber behavior in increased opioid-related mortality.²⁰ They found:

- Eight studies providing evidence that increased prescriptions for opioids may have played a role in increased opioid-related mortality;
- Seven studies providing evidence of the contribution of increased dosages to increased opioid-related mortality;
- Seven studies that provided evidence for the contribution of prescription of oxycodone, particularly the long-acting formulation of OxyContin, to increased opioid-related mortality; and
- One study providing evidence that high-volume prescribing may have played a role in increased opioid-related mortality.²¹

V. STATES THAT EXPAND MEDICAID UNDER THE AFFORDABLE CARE ACT ARE BETTER EQUIPPED TO ADDRESS BEHAVIORAL HEALTH CARE AND SUBSTANCE ABUSE TREATMENT NEEDS

The Medicaid program plays a critical role in addressing the opioid epidemic. In 2015, Medicaid provided coverage to three in ten people grappling with opioid addiction in the United

¹⁸ Nicholas B. King, Ph. D, et al., *Determinants of Increased Opioid-Related Mortality in the United States and Canada, 1990–2013: A Systematic Review*, *American Journal of Public Health* (Aug. 2014).

¹⁹ *Id.*

²⁰ *Id.*

²¹ *Id.*

States.²² Medicaid covers services such as intensive outpatient treatment and inpatient detoxification.²³ The ACA broadened Medicaid coverage to include medication assisted treatment, a recovery program that combines medication (methadone, buprenorphine, or naltrexone) with counseling and other therapies.²⁴ All Medicaid programs cover at least one of the three required medications, and most states cover all three.²⁵

The expansion of Medicaid has been critical to confronting substance abuse disorders. Healthcare economists Richard G. Frank, the Margaret T. Morris Professor of Health Economics in the Department of Health Care Policy at Harvard Medical School, and Dr. Sherry A. Glied, Dean of the Wagner School of Public Service at New York University, have estimated that states that expanded Medicaid have helped 1.3 million additional patients access behavioral health care services.²⁶ Additionally, recent empirical research has shown that states that expanded Medicaid under the ACA were associated with an increase in prescriptions for one of the required medications for medication assisted treatment.²⁷

Additionally, the U.S. Department of Health and Human Services found that “evidence is mounting” that Medicaid expansion enables patients to access care to confront opioid addiction.²⁸ In an issue brief on the role of the ACA in addressing the opioid epidemic, the findings of the Assistant Secretary for Planning and Evaluation are quoted below:

- Among low-income adults, Medicaid expansion was associated with a 7.5 percent reduction in unmet need for mental health treatment and an 18.3 percent reduction in unmet need for substance use disorder treatment services.

²² Kaiser Family Foundation, *Medicaid and the Opioid Epidemic: Enrollment, Spending, and the Implications of Proposed Policy Changes* (Jul. 14, 2017) (www.kff.org/medicaid/issue-brief/medicaid-and-the-opioid-epidemic-enrollment-spending-and-the-implications-of-proposed-policy-changes/).

²³ *Id.*

²⁴ Kaiser Family Foundation, *Medicaid's Role in Addressing the Opioid Epidemic* (June 2017) (https://kaiserfamilyfoundation.files.wordpress.com/2017/03/medicaid_s-role-in-addressing-the-opioid-epidemic.png).

²⁵ *Id.*

²⁶ Richard G. Frank and Sherry A. Glied, *Keep Obamacare to keep progress on treating opioid disorders and mental illnesses (op-ed)*, The Hill (Jan. 11, 2017) (<http://thehill.com/blogs/pundits-blog/healthcare/313672-keep-obamacare-to-keep-progress-on-treating-opioid-disorders>).

²⁷ Hefei Wen, Ph. D. et al., *Impact of Medicaid Expansion on Medicaid-covered Utilization of Buprenorphine for Opioid Use Disorder Treatment*, Medical Care: Official Journal of the Medical Care Section, American Public Health Association (Apr. 2017).

²⁸ U.S. Department of Health and Human Services, Assistant Secretary for Planning and Evaluation, *Continuing Progress on the Opioid Epidemic: The Role of the Affordable Care Act* (Jan. 11, 2017) (<https://aspe.hhs.gov/system/files/pdf/255456/ACAOpoid.pdf>).

- Medicaid expansion in Ohio led to especially large improvements in access to care and financial security for expansion enrollees with opioid use disorder. 75 percent reported improved overall access to care, 83 percent reported improved access to prescription medications, and 59 percent reported improved access to mental health care.
- Medicaid expansion in Kentucky was linked to a large increase in Kentuckians receiving treatment for substance use disorder.²⁹

²⁹ *Id.*