

## Overview

In May of 2018, the Virginia General Assembly passed legislation that would expand Medicaid coverage to residents with incomes below 138 percent of the federal poverty level. Enrollment began November 1, 2018 with coverage starting January 1, 2019.

Among states that have already expanded Medicaid, a higher proportion of newly eligible members have opioid use disorder compared to other Medicaid members.<sup>1</sup> With the introduction of the Addiction and Recovery Treatment Services (ARTS) benefit, Virginia's Medicaid program now covers the full continuum of addiction treatment services as recommended by the American Society of Addiction Medicine guidelines. As new members enroll in Medicaid, need for ARTS services is expected to increase.

## ARTS Evaluation

The Department of Medical Assistance Services contracted with Virginia Commonwealth University to conduct an independent evaluation of the ARTS program. In anticipation of the expansion of Medicaid eligibility, this brief examines how the demand for ARTS services is likely to increase due to need among those newly eligible for Medicaid benefits.

## Key Findings

- More than 100,000 uninsured Virginians (or 17 percent of all uninsured) report illicit drug or alcohol abuse or dependence in the last year.
- More than one-third (36 percent) of all admissions to the hospital among the uninsured are related to substance-use disorders.
- Medicaid expansion could enable as many as 60,000 uninsured Virginians to gain access to substance use disorder treatment services, including 18,000 with opioid use disorder.
- The West Central region may experience the greatest relative increase in demand for ARTS treatment services after expansion due to the high percentage of their uninsured population likely to be eligible for Medicaid and the high rate of substance use disorder-related hospitalizations among the region's uninsured.

## Prevalence of Substance Use Disorder Among Uninsured Virginians

Estimates based on the National Survey of Drug Use and Health show that prevalence of substance use disorder is higher among the uninsured population in Virginia (17 percent) compared to the insured (7 percent). Overall, more than 100,000 uninsured Virginians over the age of 12 reported dependence on an illicit drug or alcohol. Of these residents, 32,000 (30 percent) reported opioid dependence or abuse in the last year. Among all Virginians with opioid use disorders (50,000), two-thirds are uninsured.<sup>2</sup>

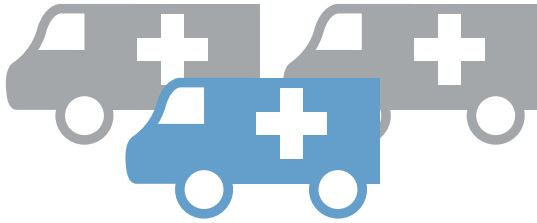
In 2016, more than 350,000 Virginians aged 19-64 were uninsured with family incomes below 138 percent of the federal poverty level (FPL), the income threshold for Medicaid expansion eligibility in January, 2019.<sup>3</sup> If newly eligible uninsured residents have similar prevalence of substance use disorders as the overall uninsured population,



## 2 in 3 Virginians with an Opioid Use Disorder are Uninsured

an additional 60,000 uninsured Virginians with substance use disorders (including 18,000 with opioid use disorder) may become eligible for Medicaid in January, 2019.<sup>a</sup>

## Hospital Admissions Related to Substance Use Disorder<sup>b</sup>



# 1 in 3

**Admissions to the Hospital for Uninsured Virginians are Related to Substance Use**

Being uninsured greatly limits treatment options for Virginians with a substance use disorder. Among residents 19-64 years old, there were a total of 64,000 admissions related to substance use disorders in 2016, including 17,000 admissions among uninsured residents. Uninsured residents were significantly more likely to have an admission related to substance use disorders compared to insured residents. In fact, more than one-third (36 percent) of all uninsured admissions in 2016 were substance use-related compared to 18 percent of Medicaid admissions. A smaller proportion of these admissions are associated with opioid use disorder. While 8 percent of uninsured admissions are related to opioid use disorder, only 5 percent of Medicaid admissions are related to opioid use disorder.

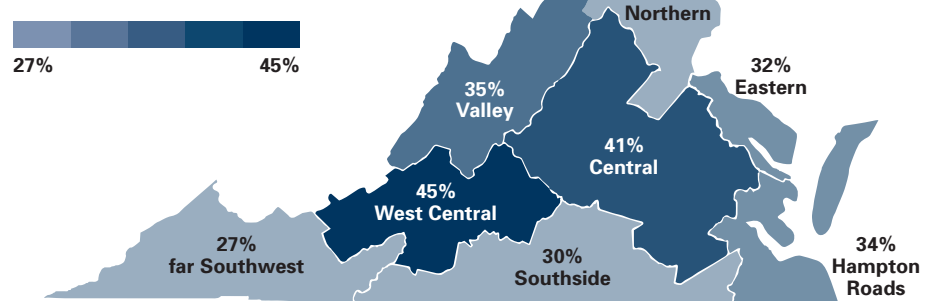
## Regional Variation in Potential Demand for Substance Use Disorder Services

Regional variation in the percent of uninsured admissions for substance use disorders suggests that some regions of the state may experience greater increases in demand for treatment services after Medicaid expansion than others. Among uninsured hospitalizations, the Central and West Central regions of the state have the highest percent of admissions related to substance use disorders, with 41 percent and 45 percent respectively. The Far Southwest has the lowest percent of uninsured admissions related to substance use disorder, with 27 percent. However, a greater proportion of these admissions in the Far Southwest are related to opioid use disorder, with 26 percent of uninsured substance-related admissions, the highest in the state.

The West Central region is likely to experience the greatest increase in demand for substance use disorder treatment services relative to demand prior to expansion, with a higher share of uninsured residents likely eligible for Medicaid and a high rate of uninsured

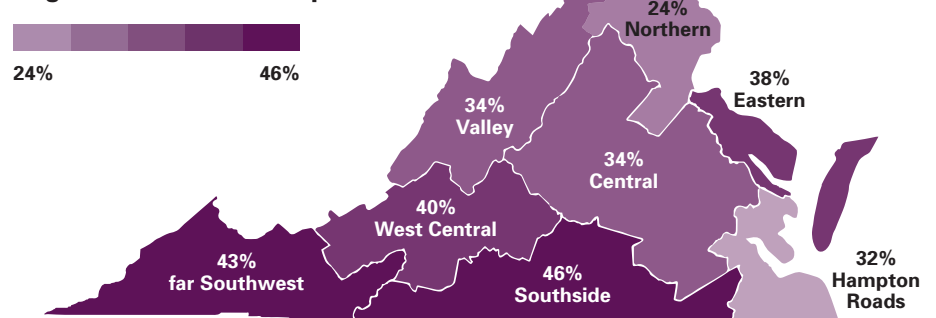
admissions related to substance use disorder. The relative increase in demand may be less in the Northern region, as there is a smaller percentage of uninsured likely eligible for expansion and fewer uninsured admissions related to substance use disorder.

**Percent of Uninsured Admissions Related to Substance Use Disorder**



In addition to higher prevalence of substance use disorder, some regions of the state may experience a greater increase in demand for ARTS treatment services because more of their uninsured residents are eligible for Medicaid expansion. For example, the share of the uninsured population potentially eligible for Medicaid expansion is greatest in Southside (46 percent), Far Southwest (43 percent), and the West Central area (40 percent), and lowest in the Northern region (24 percent).<sup>c</sup>

**Percent of Uninsured Likely Eligible for Medicaid Expansion**



## Medicaid Expansion and Substance Use Disorder Treatment: Experience of Other States

In 2019, Virginia will be the 33rd state to expand Medicaid, potentially covering 400,000 low-income residents.<sup>4</sup> Access to insurance coverage through Medicaid can reduce financial burdens associated with substance use disorder treatment. States that have expanded Medicaid have found greater utilization of substance use disorder treatment services, including a 70 percent increase in use of medication-assisted treatment, the standard of care for opioid use disorders.<sup>1</sup> The rate of overdose deaths has also slowed in states that have expanded Medicaid.<sup>5</sup> Even compared to privately insured adults with an opioid use disorder, Medicaid members with opioid use disorder are twice as likely to receive treatment (21 percent vs 43 percent).<sup>6</sup>

### Conclusions

The uninsured population in Virginia was disproportionately affected by substance use disorders prior to Medicaid expansion, with two-thirds of residents with an opioid use disorder lacking health coverage. With limited evidence-based substance use disorder treatment options available to these Virginians in the community, many will become ill enough to require hospitalization. In fact, substance use-related admissions account for one-third of all admissions to the hospital for the uninsured, totaling 17,000 admissions in 2016. As Virginia expands Medicaid, many of these uninsured residents will gain coverage and access to treatment services outside the hospital setting. The West Central region of the Commonwealth is likely to see a large increase in demand for services following expansion due to a relatively large proportion of uninsured with substance use disorder likely eligible for Medicaid with expansion. Prior state experiences with Medicaid expansion suggest that utilization of treatment services will increase in Virginia after implementation, including the use of evidence-based medication-assisted treatment.

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## Virginia Commonwealth University ARTS Update

### ARTS Overview

Virginia implemented the Addiction & Recovery Treatment Services (ARTS) program in April, 2017 to increase access to evidence-based treatment for Medicaid members with opioid or other substance use disorders. ARTS benefits cover a wide range of addiction treatment services which are based on American Society of Addiction Medicine criteria. ARTS services include the following: inpatient hospitalization, intensive outpatient program, opioid treatment, care coordination, and peer recovery support, ARTS services

are carved into Medicaid managed care plans to support full integration of behavioral and physical health.

### ARTS Evaluation

The Department of Medical Assistance Services contracted with Virginia Commonwealth University to conduct an independent evaluation of the ARTS program. This policy brief examines substance and opioid use disorders among the current uninsured population to prepare for increased demand for ARTS services following Medicaid expansion in 2019.

<sup>1</sup>Wen H, Hockenberry JM, Borders TF, Druss BG. Impact of Medicaid Expansion on Medicaid-covered Utilization of Buprenorphine for Opioid Use Disorder Treatment. 2017. <sup>2</sup>National Survey on Drug Use and Health, 2-Year R-DAS (2015-2016). <sup>3</sup>Skopec L, Aarons J. A Profile of Virginia's Uninsured, 2016. <sup>4</sup>Vozzella L, Schneider G. Virginia General Assembly approves Medicaid expansion to 400,000 low-income residents. The Washington Post. May 30, 2018. <sup>5</sup>Ventkataramani AS, Chatterjee P. Early Medicaid Expansions and Drug Overdose Mortality in the USA: a Quasi-experimental Analysis. J Gen Intern Med. 2018. <sup>6</sup>Zur J, Tolbert J. The Opioid Epidemic and Medicaid's Role in Facilitating Access to Treatment. Kaiser Family Foundation Issue Brief. 2018. <sup>a</sup>Based on the National Survey of Drug Use and Health, prevalence of illicit drug or alcohol dependence or abuse among uninsured persons is similar for those with incomes above the federal poverty level compared to those with incomes below the federal poverty level. Substance use disorder is defined as dependence on an illicit drug or alcohol. <sup>b</sup>Data come from the Virginia Health Information Patient Level Admissions Data for 2016. Substance use and opioid use disorder are defined as having a diagnosis of dependence or abuse during the given admission. <sup>c</sup>Data come from American Community Survey 5-year average estimates for Virginia, 2012-2016.

