

# Protecting Medicaid: The Stakes for Substance Use

## 26%

Of ALL U.S. mental health & substance use disorder (SUD) services paid by Medicaid

## 86.6M

Adults reported with mental health or SUD last year

## 56%

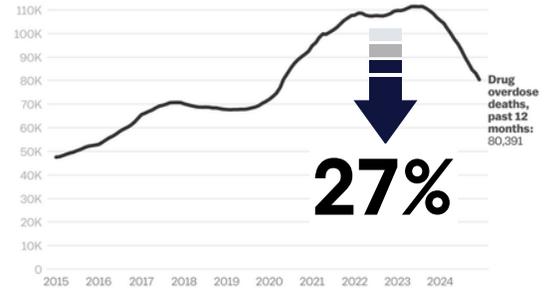
Of opioid use disorder (OUD) patients receiving medications for opioid use disorder (MOUD) covered by Medicaid

## 64%

Of adults receiving outpatient treatment and peer support services for OUD

**Overdose deaths surged 520% between 1999 and 2023, becoming the leading cause of death for Americans aged 18–44. In 2024, that trend reversed: deaths dropped 27% nationally, driven by targeted interventions including expanded access to prevention programs, opioid use disorder medications and Medicaid-funded treatment services.**

**That progress is now at risk. Medicaid, the largest payer of addiction and mental health treatment in the U.S., faces significant cuts, threatening coverage for millions and the sustainability of the system driving this historic turnaround.**



## Who Loses When Medicaid is Cut

## 47%

Of all nonelderly adults with OUD are covered solely by Medicaid

## 61%

Of adult Medicaid enrollees diagnosed with OUD, about 900,000 adults are eligible through Medicaid expansion

## 7.5 million

People at risk of losing coverage as a result of H.R. 1 Medicaid cuts



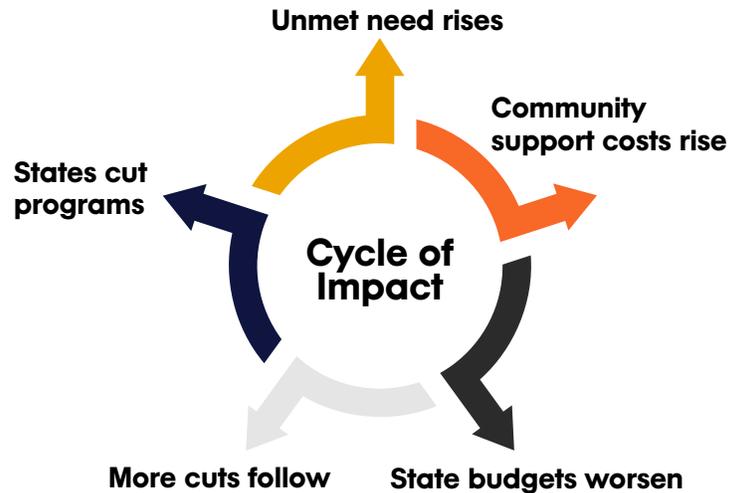
**Cuts eliminate access not just to treatment, but to every service that makes treatment possible.**



**80% of nonelderly Medicaid adults with SUD report unmet treatment needs.**



**19% of Medicaid enrollees with SUD receive inpatient or outpatient services annually.**

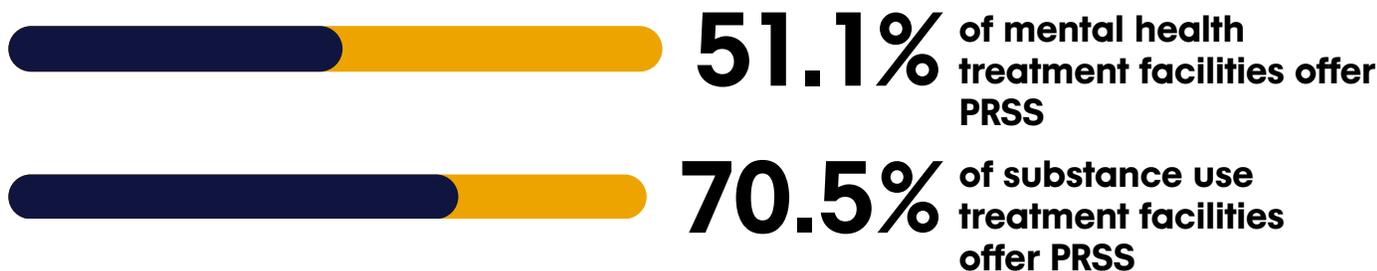


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## Peer Recovery Support Services (PRSS)

As of 2007, PRSS is an optional Medicaid benefit that allows states to cover peer recovery services as a key component of a comprehensive mental health and SUD system. Peer recovery support services are an evidence-based model of care that consists of qualified peer recovery support specialists with lived experience of mental health or SUD who coordinate care and provide a range of community-based services to individuals experiencing mental health or SUD.



## PRSS Impacts



People with SUD who receive PRSS after an acute care episode are shown to **reduce acute care use** and improve engagement in community-based services.



# \$2,138

In peer-supported crisis centers, Medicaid expenditures were on avg. \$2,138 lower per Medicaid-enrolled month with 2.9 fewer hospitalizations for care recipients.



Participants described the lived experience of PRSS as **both beneficial to the recovery journey** of patients with SUD and **unique** in that only PRSS can provide the specific skillset that benefits these patients.



# ~\$2 million

A 2019 Mental Health America report found that PRSSs in Washington State reduced involuntary hospitalizations by **32%**, saving **nearly \$2 million in a single year.**



## Non-Emergency Medical Transportation (NEMT)

NEMT, a **required Medicaid benefit**, provides free rides to routine medical care through Medicaid. Why it matters for SUD:

- Top reported barrier to care is a lack of transportation
- License suspensions and a lack transit options limit access
- Transportation support boosts treatment retention and lowers overdose risk

**21%** of adults without access to a vehicle or public transit reported unmet medical needs due to transportation challenges.



**3.6 million**

Americans either miss or delay care due to a lack of access to adequate transportation.

### Most Often Used to Access:

- Preventive healthcare
- Evaluation or management of acute and chronic conditions
- Labs and imaging
- Behavioral health, including SUD treatment services



**\$1,300**

Average monthly savings per person as a result of NEMT services.

**11:1**

Average return on investment (ROI) for NEMT services.

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## Housing Stabilization Services and Supports

Housing stabilization is an optional Medicaid benefit targeting people with overlapping health and social needs.

### The SUD-housing connection:

- SUD and homelessness reinforce each other in a cycle
- Housing insecurity correlates strongly with SUD prevalence
- Overdose risk is higher among unhoused individuals who use drugs vs. housed peers
- SAMHSA lists stable housing as a foundational pillar of recovery
- Housing first models contribute to improved substance use outcomes, increased access to SUD services, and reduced healthcare and legal costs



# \$20 million

A 2022 SUNY-Albany report found that New York's Medicaid supportive housing programs saved an average of \$5,524 per person in the first year, totaling roughly \$20 million in savings.

# 25%



# 18%



# 2.5x

Of Medicaid enrollees self-reported homelessness.

Of adults experiencing homelessness had a substance use disorder compared to 3% of the general population.

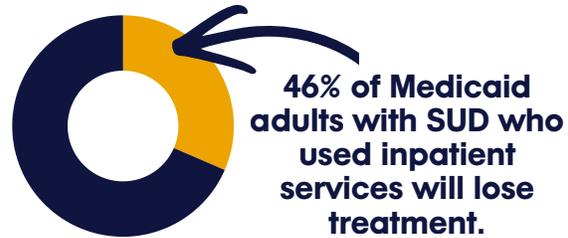
Homeless Medicaid recipients visit the ER, are admitted to the hospital, and incur costs 2.5 times higher than average Medicaid enrollees.

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# Cascading Impacts of Medicaid Cuts on Substance Use

Medicaid is the infrastructure of survival for millions with substance use disorder. Cutting it doesn't make the problem go away. It makes it more expensive, harder to reverse and more deadly. Every dollar cut from Medicaid behavioral health generates multiple dollars in emergency care, incarceration and lost lives.

## Loss of Coverage



## Disrupted Access



3.6 million people delay or miss healthcare services due to transportation hardships.

No NEMT- no rides, no treatment.



PRSS, used in 70.5% of SUD facilities is defunded, support collapses.



Housing stabilization services are cut- SUD spirals increase.

## Higher System Costs

People who lose coverage do not just disappear; they show up in emergency rooms, jails, psychiatric crisis centers, at a far higher cost per episode with no sustained pathway to recovery.



Supportive housing saves upwards of \$5,524 per person, cuts ER visits and hospital stays. Without it, costs flood back.

**These are not cost savings.  
They are cost shifts.**