

Medicaid Expansion: A Proven Solution to Florida's Opioid Treatment "Funding Cliff"

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Executive Summary

While the Florida Legislature has appropriated some new general revenue for combating the opioid epidemic, the source of most new funding is through time-limited federal grants due to expire in 2020.

But there are significant shortcomings to grant funding, which is not nearly enough to meet the need. Plus, such funding is not guaranteed from year to year — this makes providers hesitant to expand services and make longer term investments in new treatment sites.

Once federal grant funding ends, Florida will face a significant "funding cliff," presenting a large budget challenge for the state Legislature. Medicaid expansion would fill this budget hole and increase the state's capacity to meet the needs of residents.

Introduction

Florida's opioid epidemic continues to claim thousands of lives. While substantial new federal grants have been coming to Florida to combat the epidemic, they are time limited and fall short of meeting the overwhelming need. Ongoing, guaranteed funding is essential to support an array of affordable prevention, treatment and recovery services across the state.

Noticeably absent from Florida's approach is Medicaid expansion — a vital, proven tool for combating the epidemic. A growing body of research shows that expansion increases access to treatment, saves lives and allows states to maximize state and federal resources already at play to eradicate this epidemic. Florida lawmakers' ongoing refusal to expand Medicaid makes no fiscal or public health sense.

Scope of Florida's Opioid Epidemic

Opioids include strong prescription pain relievers such as oxycodone, hydrocodone, fentanyl, and tramadol, as well as the illegal drug heroin. Opioid use disorder (OUD), a type of substance use disorder (SUD), is defined as "a problematic pattern of opioid use leading to clinically significant impairment or distress."¹ The numbers paint a bleak picture of the scope of the OUD epidemic. In 2015, 2,535 Floridians died due to at least one opioid — seven deaths per day. The highest opioid death rates were in Manatee County (37 per 100,000), Dixie County (30 per 100,000), and Palm Beach County (22 per 100,000).²

In 2016 and 2017 the number of opioid related deaths climbed even further, exceeding 5,000 each year.³ In recent years there has been a rapid increase in the use of fentanyl and deaths caused by overdose of fentanyl analogs.⁴

The tragic consequences of the epidemic are far-reaching. More than 4,200 Florida newborns were born to mothers using opioids in 2016, a dramatic increase from 1,700 in 2015.⁵

Hospitals are overwhelmed. From June 2016 to June 2017, 18,000 emergency room visits were caused by people overdosing on opioids.⁶ Overall, the costs of the epidemic place a substantial burden on the economy, including billions lost in yearly productivity.⁷

The Chair of the Attorney General's Opioid Working Group recently summed up the landscape this way:

Our country has been plagued by tragedy stemming from opioid addiction and abuse, and people from all walks of life have fallen victim to this disease. Jurisdictions across our state have seen record-setting increases in their opioid-related deaths as well as overdoses. Regardless of geographic area, all counties throughout the State of Florida have experienced unprecedented increases in the number of reported overdose incidents and deaths, and tragically, people are dying at record numbers."⁸

Florida's Patchwork Response to the Epidemic

The Legislature has passed discrete pieces of legislation targeted toward prevention and treatment of people struggling with OUD. This includes legislation to:

- shut down illegally operating pain clinics;
- create the prescription drug monitoring program within the Department of Health;
- permit emergency opioid antagonists to be prescribed by first responders, bystanders and others; and
- provide Good Samaritan law protections for those who seek to help someone during an overdose.

The Legislature has also provided budget authority to spend millions of new federal grants appropriated to combat the epidemic.⁹

Actions have also been taken at the executive level. On April 1, 2019, Governor Ron DeSantis issued Executive Order 2019-97¹⁰ creating the Office of Drug Control and the Statewide Task Force on Opioid Abuse. They are charged with coordinating prevention and treatment efforts, developing a statewide strategy and identifying needed funding.

ACRONYM REFERENCE GUIDE

DCF - Florida Department of Children & Families *MAT* - medication assisted treatment *OTP* - opioid treatment program *OUD* - opioid use disorder *SOR* - State Opioid Response Grant *SSA* - Social Security Administration *SUD* - substance use disorder

Prior to the issuance of the Executive Order, the Attorney General's Opioid Working Group (A/G Working Group) published a report that included best practice recommendations for combating the epidemic.¹¹ It found that a comprehensive "collaborative approach" was needed and that people should be able to get help

"at any stage of their addiction through detoxification, stabilization and treatment/rehabilitation."¹² The report specifically recommended the gold standard of OUD treatment — medication assisted treatment (MAT).¹³ MAT involves the use of specific medications (e.g., methadone, buprenorphine, and naltrexone) in conjunction with behavioral therapy.¹⁴

Yet limited and uneven treatment resources across the state pose significant challenges to implementing the A/G Working Group recommendations and meeting the need. The state's Health Improvement Plan notes that 8 percent of Florida adults experienced alcohol or illicit drug dependence or abuse. However, 85 to 90 percent did not get treatment. Hispanics are more likely to need treatment than non-Hispanics and less likely to receive treatment.¹⁵

The Department of Children and Families (DCF) is the primary state agency providing treatment and recovery services through community-based providers. It estimates that 94,000 Floridians aged 12 or older had unmet treatment needs in 2015-2016.¹⁶

PAST YEAR NONMEDICAL OPIOID USE, ABUSE OR DEPENDENCE, AND UNMET TREATMENT NEED AMONG FLORIDIANS AGES 12 AND OLDER				
	2003-2006	2007-2010	2011-2014	2015-2016
Nonmedical Opioid Use	5.2%	4.3%	3.6%	4.0%
Opioid Abuse or Dependence	0.67%	0.77%	0.78%	0.70%
Unmet Need for Treatment	92,000	105,000	101,000	94,000

Adapted from: Chart on p. 1, Florida's State Opioid Response Project Narrative. Florida Department of Children and Families. Accessed via: <https://www.myflfamilies.com/service-programs/samh/opioidSTRP.shtml>

The state's current treatment infrastructure is insufficient to significantly change this picture. The A/G Working Group found that opioid treatment programs (OTPs) in Florida are unevenly spread across the state and provide varying degrees of services. Only 26 counties have at least one full-service clinic and there is only one located in a rural county. In three of the 10 counties with the highest opioid-caused death rates in 2015, there are no OTPs. In the 10 counties that had the highest opioid prescription rates in 2016, only 2 OTPs exist. These programs in Florida are primarily concentrated in the southern part of the state and along the coastal regions, leaving a large portion of the state without access.¹⁷

Federal Grants Are About to Dry Up

While the Florida Legislature has appropriated some new general revenue for combating the epidemic, the source of most new funding is through time-limited federal grants due to expire in 2020.¹⁸ These funds, administered through DCF, support prevention, MAT and recovery support services targeted towards indigent, uninsured and underinsured individuals with OUD.¹⁹

There are significant shortcomings to grant funding, which is not nearly enough to meet the need. Plus, such funding is not guaranteed from year to year — this makes providers hesitant to expand services, attract high quality staff and make longer term investments in new treatment sites. Further, grant funding is narrowly targeted, leaving communities without the flexibility to respond to emerging drug misuse challenges beyond the opioid epidemic.²⁰

Florida Has Been Missing Out on a Proven Valuable Tool for Combatting the Epidemic: Medicaid Expansion

Multiple studies show the substantial benefits of Medicaid expansion for treating people with OUD.²¹ This has been particularly evident in states hit hardest by the epidemic that have opted to expand, including Kentucky, West Virginia, Maryland and Ohio.²²

A common reason people do not get OUD treatment is because they do not have health care coverage and cannot afford private insurance.²³ Medicaid expansion is associated with a significant increase in coverage and greater access to OUD prevention, treatment and recovery services.²⁴

Expanding Medicaid in Florida would address substantial barriers that people with OUD are facing under the current program's stringent eligibility limitations. Aside from very low-income eligibility limits, adults with OUD must meet certain categorical requirements, such as having a severe disability as defined by the Social Security Administration (SSA). However, SSA does not consider OUD to be a disabling condition.²⁵

Moreover, even if an adult with OUD has another condition meeting SSA's restrictive disability criteria, if their household income exceeds 88 percent of the federal poverty guidelines (\$10,991 annually for a household of one), they will be denied coverage based on income.²⁶ With expansion, Floridians with OUD with income at or below 138 percent of poverty would qualify for coverage and be able to access a life-saving package of Medicaid benefits.

FEDERAL FUNDING HISTORY

April 21, 2017

Florida was awarded the State Targeted Response to the Opioid Crisis Grant (STR)

- \$27,150,403 each for 2 fiscal years
- Project period: May 1, 2017 - April 30, 2019

May 3, 2017

Executive Order 17-146 declared a state of emergency due to the opioid epidemic allowing the Department of Children and Families (DCF) to implement the STR

September 19, 2018

Florida was awarded the State Opioid Response Grant (SOR)

- \$50,056,851 each for 2 fiscal years
- Project period: Sept. 30, 2018 –Sept. 29, 2020

March 20, 2019

Florida is awarded a supplement to the SOR

- \$26,129,676
- Funds approved by Congress for the STR merged into the SOR

Source: Department of Children & Families, Presentation on the State Opioid Response Grant, Senate Appropriations Subcommittee on Health & Human Services, Slide 2, October 23, 2019. Accessed via: <http://www.flsenate.gov/>

Expansion would also help groups the state has already identified as priority underserved populations. These include:

- **Floridians involved with the criminal justice system.** Incarcerated individuals with OUD are typically uninsured. A recent study found that most accidental deaths of Florida inmates were due to drug overdoses.²⁷ As people who have been incarcerated re-enter their communities, expansion would provide access to treatment and recovery support services and substantially increase the likelihood of a successful transition.²⁸
- **Floridians in rural communities.** These areas have also been disproportionately hurt by the opioid epidemic. Yet there is a dearth of OUD treatment facilities in these areas. In expansion states, Medicaid has been essential for supporting OUD treatment providers and giving rural residents access to services in their own communities.²⁹
- **Parents with OUD who are at risk of losing their children.** Currently, Florida's Medicaid program covers only extremely low-income parents of minor children (parents with \$6,825 in annual income in a household of three).³⁰ With expansion, parents with income up to 138 percent of the poverty level could be covered. Research shows that Medicaid expansion states are experiencing a reduction in child neglect cases compared with non-expansion states.³¹

Expanding Medicaid would give Floridians with OUD access to a robust package of services, including behavioral health and prescriptions for life-saving MAT.³² It would also provide greater access to services for **preventing** opioid dependence and overdose deaths, such as screenings to identify and treat behavioral health and physical problems before OUD develops.³³ Access to timely, evidence-based preventive services saves money and lives.³⁴

Florida's Medicaid program already provides a comprehensive package of prevention, treatment and recovery services for persons with OUD.³⁵ It provides a strong foundation for building out capacities to serve additional people with OUD who would gain coverage through expansion.

Unlike time-limited federal grants, Medicaid provides ongoing guaranteed funding. Providers can better predict revenue from year to year and make informed business decisions about providing services, expanding staff, and opening new locations.³⁶ Medicaid expansion would also ease uncompensated care burdens — in expansion states, the uninsured proportion of hospitalizations for SUD or mental health problems dramatically decreased from 20 percent in 2013 to 5 percent in 2015.³⁷ Implementing expansion would also provide Florida the flexibility to respond to changing drug abuse trends and treatment needs at the community level.³⁸

Medicaid expansion would also free up state and federal grant funds that could be re-directed to other OUD services not covered by Medicaid. The state projects that 132,000 uninsured Floridians currently receiving state funded behavioral health and/or substance abuse services could qualify for Medicaid with expansion.³⁹ Based on the track records of expansion states, Florida could realize millions of dollars of state savings in mental health and SUD services through replacement of state dollars with federal dollars. Recent studies forecast state savings exceeding \$200 million annually to as much as \$623.7 million over a five-year period if the state expanded Medicaid.⁴⁰ Expansion would then allow the state to redirect saved dollars to meeting critical OUD needs such as housing, childcare or other support services not covered by Medicaid.⁴¹

Conclusion

Federal grants to fight the opioid epidemic are time limited. But Florida's OUD prevention, treatment and recovery service needs will continue. Once federal grant funding ends Florida will face a significant "funding cliff," presenting a large budget challenge for the Legislature. Medicaid expansion would fill this budget hole and increase the state's capacity to meet the need. The evidence shows that expansion save lives.⁴² Florida families, communities and taxpayers deserve nothing less.

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³ Id.

⁴ Substance Abuse Alert, Florida Dept. of Children and Families & Florida Alcohol, Drug Abuse Assoc., Substance Abuse Trends Alert! May 2019. Accessed via: https://www.fadaa.org/page/Research_Reports

⁵ John Hopkins All Children's Hospital, Neonatal Abstinence Syndrome Clinic. Accessed via:

<https://www.hopkinsallchildrens.org/Services/Maternal-Fetal-Neonatal-Institute/Neonatal-Follow-Up-Program/Neonatal-Abstinence-Syndrome-Follow-Up-Clinic>

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⁷ Davis, C., et al., Medicaid and the Affordable Care Act: Vital Tools in Addressing the Opioid Epidemic, p. 4, National Health Law Program, February 7, 2017. Accessed via: <https://healthlaw.org/resource/medicaid-the-aca-vital-tools-in-addressing-the-opioid-epidemic/>

⁸ Lemma, D., Chairman's Letter, Attorney General Opioid Working Group Final Report, March 1, 2019. Accessed via:

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⁹ Florida Department of Children & Families, Florida's State Targeted Response to the Opioid Crisis Grant, Needs Assessment, pp. 26-27, August 31, 2017. Accessed via <https://www.myflfamilies.com/service-programs/samh/docs/opioid/Needs%20Assessment.pdf>

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¹¹ Supra at n. 2

¹² Supra at n.2, p. 8

¹³ Supra n. 2, p. 6

¹⁴ U.S. Dept. of Health & Human Services, Substance Abuse & Mental Health Services Admin., Programs, Medication Assisted Treatment. Accessed via: <https://www.samhsa.gov/medication-assisted-treatment/treatment>

¹⁵ Florida Dept. of Health, Florida State Health Assessment Key Findings, 2016-2017, p. 9. Accessed via:

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