

U.S. SENATOR BOB CASEY



FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE REPUBLICAN HEALTH CARE PLAN: RETREATING FROM THE FIGHT AGAINST THE OPIOID EPIDEMIC



U.S. SENATOR *for* PENNSYLVANIA

The Republican Health Care Plan:

Retreating from the Fight Against the Opioid Epidemic

America is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front-line. Opioid addiction – including addiction to prescription opioid pain medication, heroin, and fentanyl – is devastating families across our Nation and our Commonwealth while putting a tremendous strain on first responders, health systems, law enforcement, and social services.

The Republican health care plan would retreat from the fight against opioid addiction at the height of the epidemic. Their bill would make it harder to get much needed treatment by effectively ending the expansion of Medicaid, cutting Medicaid by \$834 billion over 10 years, cutting the premium tax credits that help make coverage affordable, and allowing states to waive treatment coverage requirements and pre-existing condition protections for those with substance use disorders.

In 2015, more than 52,000 people died in the U.S. from a drug overdose, exceeding the number of people who died in car crashes.^{i,ii} More than 33,000 of these deaths were from opioids, more than any year on record.^{iii,iv} The crisis shows no sign of abating. Preliminary estimates suggest drug overdoses climbed another 19 percent in 2016.^v

- *In Pennsylvania, more than 3,200 people died of a drug overdose in 2015, a 20 percent increase over 2014.^{vi} More than 1,300 of these deaths were from opioids.*

A key tool in combatting the opioid epidemic is getting into treatment. Health care coverage is vital to accessing treatment.

- *Today, 20 million more Americans have health insurance, including more than 1.1 million Pennsylvanians who have gained health care coverage through premium tax credits and Medicaid expansion.*

Coverage expansion has helped individuals in the Commonwealth get the treatment they need. It also helps support prevention and recovery by providing counseling and care for other conditions that often accompany drug use disorders.

- *Thanks to this health care coverage expansion, about 175,000 Pennsylvanians in need are receiving substance use disorder services.^{vii}*

But, these gains are under severe threat.

- *Under the Republicans' American Health Care Act, 14 million people would lose coverage next year, the largest single decline in coverage in our country's history. A total of 23 million would lose coverage by 2026.^{viii}*

This bill would be devastating to families fighting the scourge of opioid addiction.

- *Researchers estimate that repealing the mental health and substance use disorder coverage provisions of the Affordable Care Act would result in an annual \$5.5 billion cut in behavioral health treatment services.^{ix}*

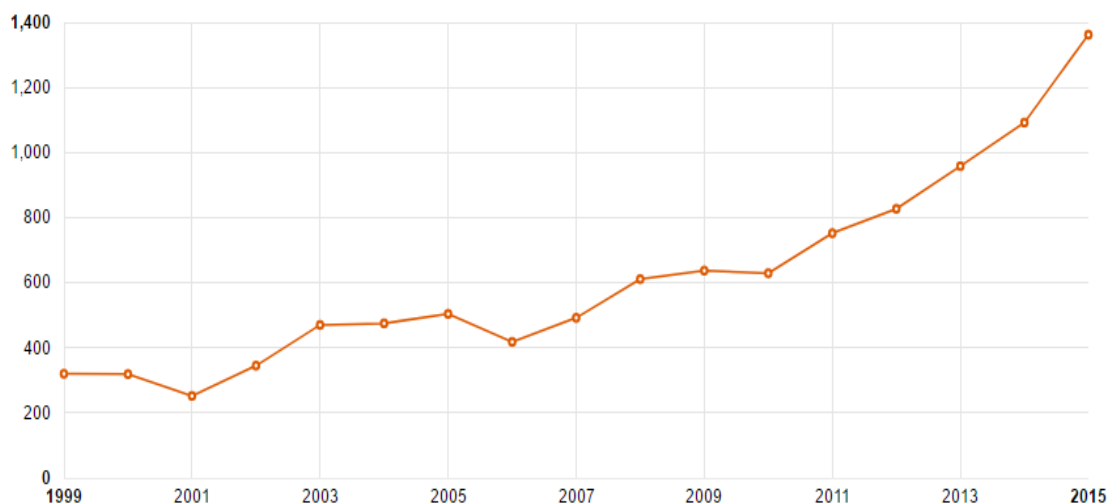
Rolling back the Medicaid expansion at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.

However, the Republican plan would not stop there. Republicans would end Medicaid as we know it by capping federal Medicaid dollars and radically restructuring the program.

- *Medicaid provides health care coverage for more than 1/3 of people with opioid use disorders.^x*
- *Medicaid beneficiaries with opioid use disorders are more likely to receive treatment (both inpatient and outpatient treatment) than privately insured adults with the disorder.^{xi}*
- *Nationally, Medicaid pays for nearly a quarter of all prescriptions for the opioid use disorder treatment buprenorphine.^{xii}*
- *In Pennsylvania, Medicaid pays for 29% of all prescriptions for buprenorphine.^{xiii}*

The Republican plan will be a disaster for Pennsylvania families. It will undercut the efforts of Pennsylvania health care leaders, law enforcement, social service agencies, people in recovery, families of those struggling with addiction, and individuals with opioid use disorder to fight this epidemic. And, it does all of that in order to finance a massive tax cut for the wealthy.

Opioid Overdose Deaths in Pennsylvania 1999-2015



Kaiser Family Foundation. State Health Facts.

[Opioid Overdose Deaths and Opioid Overdose Deaths as a Percent of All Drug Overdose Deaths](#)

What is at Stake for Pennsylvania Families Affected by the Opioid Epidemic

More than 1.1 million Pennsylvanians have gained coverage through tax credits to make premiums affordable and Medicaid expansion. Over 20 million Americans have gained coverage nationally, causing the share of Americans without health insurance to reach the lowest level in history. Among those gaining coverage are those who need treatment for opioid use disorders, other substance use disorders, or other behavioral health conditions.

The Republican health care scheme would undermine these gains:

- ***Pennsylvanians who gained opioid treatment coverage through Medicaid expansion could be left without care.*** Pennsylvanians in treatment thanks to coverage expansion could lose substance use disorder services under the Republican plan to end the Medicaid expansion. Nationwide, one in three people covered through the Medicaid expansion have a mental illness, substance use disorder, or both. The Republican plan would end the expansion without a workable plan for ensuring these individuals continue to get treatment.
- ***The federal law prohibiting health plans from discriminating against people with substance use disorders by charging them higher premiums can now be waived.*** The Republican plan creates a new waiver process, allowing states to override federal protections and let insurance companies charge people in treatment or in recovery unaffordable premiums for their “pre-existing” substance use disorder. These waivers undo the federal insurance protection against being discriminated against for having a pre-existing condition.
- ***The federal requirement that plans you buy in the individual insurance market have to cover substance use disorder treatment can now be waived.*** The Republican waiver scheme allows states to opt-out of the requirement to cover substance use disorder treatment in the individual and small group insurance markets. The non-partisan, independent Congressional Budget Office (CBO) has said that, in states that waive these requirements, “In particular, out-of-pocket spending on maternity care and mental health and substance abuse services could increase by thousands of dollars in a given year for the non-group enrollees who would use those services.”^{xiv} By one estimate, under the Republican plan, average out-of-pocket costs for substance abuse or mental health treatment would increase by \$1,333 for routine care and up to \$12,261 for those who require a hospital stay in waiver states.^{xv} This would not just affect people with individual coverage. These waivers could result in up to 27 million people with employer coverage losing protections against high annual cost sharing and lifetime limits for services such as treatment for substance use disorders.^{xvi}
- ***Financial assistance for middle class families to purchase affordable insurance coverage for treatment would be cut.*** Families who gained coverage because of financial assistance to help make their health care affordable face a new scheme that in many cases would dramatically reduce the assistance available. Premium assistance would be fixed and no longer vary by income and geography and would be cut for older Americans. The CBO estimates that the Republican bill would increase premiums by about 20 percent in the individual market next year. A program to reduce cost sharing (deducibles and copays) would be repealed as well, driving up costs at the

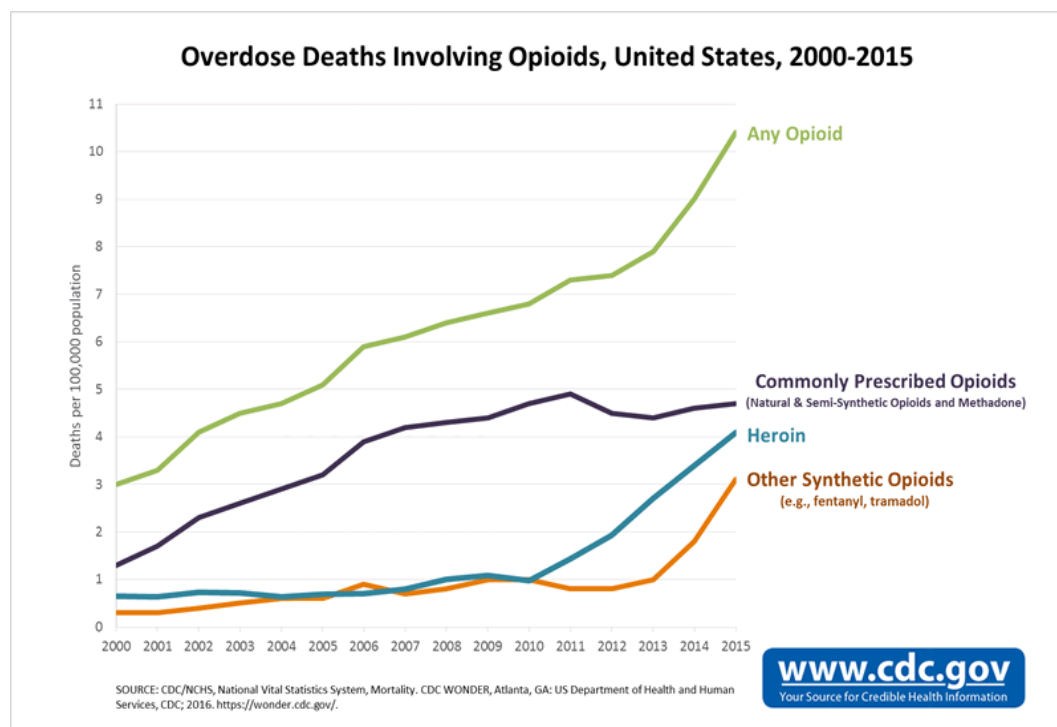
point when people need health care. These rising costs are likely to put affordable substance use disorder coverage out of reach for many.

- ***Costs are shifted from the federal government to Pennsylvania.*** Medicaid is a major payer for substance use disorder services in Pennsylvania, and costs have historically been shared between the state and federal government. A cap on federal Medicaid spending means cost shifting to the state. Cost increases above the cap will have to be paid by Pennsylvania, with no contribution from the federal government. These caps will create pressure on the state budget, which is likely to drive reductions in substance use disorder and other coverage and increased uncompensated care costs for hospitals, doctors and other treatment providers as well as put added pressure on local governments to address these unmet needs.

The Opioid Epidemic

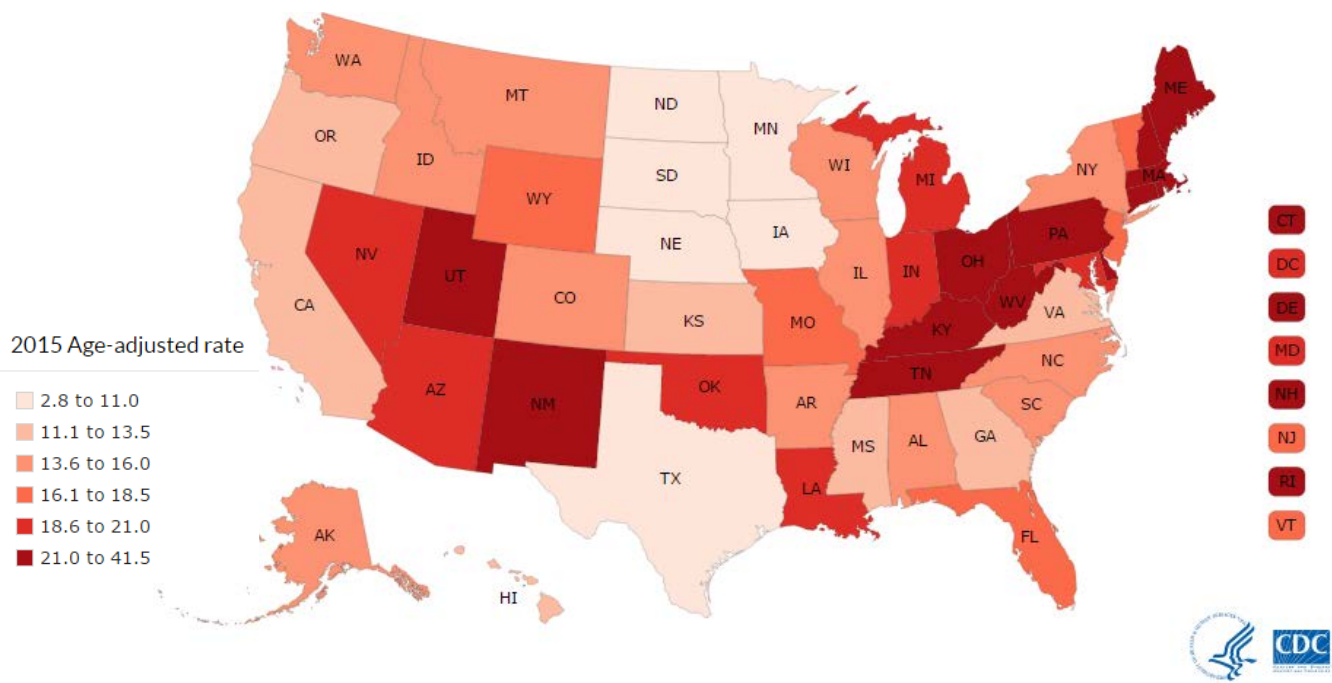
Every day, 91 Americans die from an opioid overdose.^{xvii} Since 1999, the number of overdose deaths involving opioids has quadrupled, resulting in more than 33,000 opioid deaths in 2015.^{xviii} Over 2 million people have a prescription opioid addiction and more than 590,000 have a heroin addiction.^{xix}

Before the Affordable Care Act, people with substance use disorders and mental illnesses were among the most likely to be uninsured, and many plans had no coverage for substance use disorders and mental health services.



According to the Centers for Disease Control and Prevention, Pennsylvania had the 6th highest age-adjusted overdose death rate in the nation, with 26.3 deaths per 100,000 people in 2015.

CDC: Age-adjusted rates of drug overdose deaths by state, US 2015



Opioid Use Disorder Prevention and Treatment: Current Law

Thanks to coverage gains under current law, substance use disorder services are now being provided to an additional 175,000 Pennsylvanians.^{xx}

Pennsylvania also saw a nearly 17 percent drop in adult uninsured hospitalizations for substance use and mental health disorders between the final quarters of 2013 and 2014.^{xxi}

The Affordable Care Act took several steps to expand coverage of mental health and substance use disorder prevention and treatment, including:

- Expanding Medicaid with enhanced federal funding to allow states to cover many adults struggling with addiction who were previously uninsured;
- Allowing young adults to remain on their parents' coverage up to age 26;
- Increasing coverage by providing income-related financial support to make insurance premiums, deductibles and co-pays affordable;
- Making mental health and substance use disorder services part of the essential health benefits that individual and small group health plans must cover;
- Eliminating annual and lifetime dollar limits on these essential health benefits;

- Ending health insurers' ability to deny coverage or charge exorbitantly higher premiums based on pre-existing conditions, including mental health and substance use disorders;
- Requiring mental health and substance use disorder benefits to be offered on par with medical and surgical benefits; and
- Requiring plans to cover recommended mental health and substance use disorder preventive services without cost-sharing.

In 2016, with Senator Casey's leadership, Congress passed the 21st Century Cures Act, which included \$1 billion in additional funding to states to further expand their opioid treatment services. Pennsylvania is already receiving \$26.5 million through the Cures Act to enhance its response to the opioid epidemic.^{xxii}

Conclusion

Medicaid coverage and health insurance premium assistance are vital tools in our effort to beat back the opioid epidemic. The Republican health care plan undermines affordable coverage that is a lifeline for individuals seeking treatment. Now is not the time to be losing ground in this fight – yet the American Health Care Act does exactly that by decimating Medicaid, gutting the Medicaid expansion, and rolling back assistance for middle class families to find affordable health care coverage.

ⁱ U.S. Department of Health and Human Services, Centers for Disease Control and Prevention. *New data show continuing opioid epidemic in the United States*. December 2016.

<https://www.cdc.gov/media/releases/2016/p1216-continuing-opioid-epidemic.html>

ⁱⁱ Michael Casey. "Drug Overdose Deaths Rise Significantly in Past 5 Years." *AP News*. December 2016.

<https://apnews.com/9aa2eef4c88d4949888a987fdd342d0e/drug-overdose-deaths-rise-significantly-past-5-years>

ⁱⁱⁱ The Henry J. Kaiser Family Foundation. *Opioid Overdose Deaths and Opioid Overdose Deaths as a Percent of All Drug Overdose Deaths*. March 2017.

<http://www.kff.org/other/state-indicator/opioid-overdose-deaths/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

^{iv} U.S. Department of Health and Human Services, Centers for Disease Control and Prevention. *Opioid Overdose*. April 2017.

<https://www.cdc.gov/drugoverdose/>

^v Josh Katz. "Drug Deaths in America Are Rising Faster Than Ever." *The New York Times*. June 2017.

https://www.nytimes.com/interactive/2017/06/05/upshot/opioid-epidemic-drug-overdose-deaths-are-rising-faster-than-ever.html?_r=1

^{vi} U.S. Department of Health and Human Services, Centers for Disease Control and Prevention. *Drug Overdose Death*. December 2016.

<https://www.cdc.gov/drugoverdose/data/statedeaths.html>

^{vii} Office of the Governor of Pennsylvania. *Wolf Administration Strengthening Mental Health and Substance Use Disorder Insurance Protection Through Federal Training on Parity Compliance*. March 2017.

<http://www.media.pa.gov/Pages/Insurance-Details.aspx?newsid=229>

^{viii} Congressional Budget Office. *H.R. 1628, American Health Care Act of 2017 Cost Estimate*. May 2017.

<https://www.cbo.gov/publication/52752>

^{ix} Richard G. Frank and Sherry A. Glied. *Keep Obamacare to keep progress on treating opioid disorders and mental illnesses*. The Hill. January 2017. <http://thehill.com/blogs/pundits-blog/healthcare/313672-keep-obamacare-to-keep-progress-on-treating-opioid-disorders>

^x Richard G. Frank. Testimony on *Economic Aspects of the Opioid Crisis*. U.S. Congress Joint Economic Committee. June 2017. https://www.jec.senate.gov/public/_cache/files/3f089ec3-3765-44e7-a612-cbfaa765232b/dr.-frank---testimony.pdf

^{xi} Medicaid and CHIP Payment and Access Commission. *Medicaid and the Opioid Epidemic*. June 2017, page 66. <https://www.macpac.gov/wp-content/uploads/2017/06/Medicaid-and-the-Opioid-Epidemic.pdf>

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- ^{xiv} Congressional Budget Office. *H.R. 1628, American Health Care Act of 2017 Cost Estimate*. May 2017, page 7.
<https://www.cbo.gov/publication/52752>
- ^{xv} Christine Eibner and Christopher Whaley. *Technical Appendix: Loss of Maternity Care and Mental Health Coverage Would Burden Those in Greatest Need*. The Commonwealth Fund. May 2017.
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<https://www.americanprogress.org/issues/healthcare/news/2017/06/15/434042/emerging-senate-repeal-bill-eviscerates-protections-millions-employer-plans-nationwide/>
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<https://aspe.hhs.gov/system/files/pdf/255456/ACAOpoid.pdf>
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