

## Closing the Coverage Gap *Helps Combat Drug and Alcohol Problems*

Accepting federal funds to close the health insurance coverage gap in North Carolina would expand access to treatment for drug and alcohol problems. **There are an estimated 150,000 uninsured North Carolinians with mental health and/or drug and alcohol problems.** Many of them are unable to afford the treatment they need. Drug and alcohol treatment is cost effective—saving as much as \$22 in the health care and criminal justice systems for every \$1 spent on treatment.<sup>1</sup>

Providing health insurance coverage for those who fall into the gap—500,000 working adults, veterans and others in North Carolina who are not eligible for private insurance tax credits but who can't afford to buy coverage on their own—ensures treatment for drug and alcohol problems is available to those who need it. In short, expanding coverage through Medicaid increases treatment options for people with alcohol and drug problems.

### Drug and Alcohol Problems in North Carolina

Alcohol and drug problems, known broadly as substance use disorders, are a category of treatable chronic brain diseases caused by misuse of alcohol or drugs. Substance use disorders challenge people from all walks of life, without regard to age, occupation or income level.

In North Carolina, untreated substance use disorders have a detrimental effect on the state, have a projected cost of \$7.6 billion as 15 percent of total state spending are associated with missing out on opportunities to prevent and treat substance use and disorders. In North Carolina, nearly 9 percent of residents report alcohol or illicit drug dependence or abuse in 2012-2013. Another 5 percent of North Carolinians reported non-medical use of pain relievers.

### Closing the Gap: Nationwide Successes

Closing the coverage gap is yielding great results across the country. The federal funds are already set aside, and it's up to North Carolina to accept these funds to close the gap and offer coverage to thousands of North Carolinians.

- In states that have already closed the coverage gap, a U.S. Department of Health and Human Services report finds a significant drop in uninsured people using hospital emergency rooms and in hospital admissions. Projected savings in uncompensated care are **\$4.2 billion** in these states.<sup>2</sup>
- A recent report from the Kaiser Family Foundation says states that closed the coverage gap are projecting **lower state spending growth in Medicaid** compared with states that have rejected the federal funding.<sup>3</sup>
- Treatment for substance use disorders results in savings in health care costs, reducing the use of expensive emergency services, and in the criminal justice system, reducing crime, recidivism and incarceration rates.<sup>4</sup>

## Treatment Gaps in North Carolina

While people from all walks of life struggle with substance use disorders, access to treatment options is limited by income. Approximately one half million North Carolinians would benefit from Medicaid Expansion

Prevention, drug enforcement, treatment and recovery services are all part of managing the effect of substance use disorders on individuals, families and communities.

- **PREVENTION:** \$40 million block grant from the Substance Abuse and Mental Health Services Administration for address prevention and treatment of substance abuse.
- **ENFORCEMENT:** For the 2013-2014 fiscal year, North Carolina received over \$1 million in federal grant money to address drug enforcement from the Department of Justice.
- **TREATMENT:** Accepting federal funds to increase access to affordable and effective substance use treatment is the **missing piece** in North Carolina's ability to address drug and alcohol problems.
- **RECOVERY:** Millions of people complete treatment for drug and alcohol problems and enter into long-term recovery. Coverage for recovery services such as outpatient counseling can ensure that people get the continued support they need to stay well, hold jobs, pay taxes and take care of their kids.

Investing in treatment for substance use disorders is smart and cost-effective. **Closing the coverage gap is one of the most accessible, affordable and valuable tools available in the effort to reduce and combat drug and alcohol problems.**

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1 Robert Wood Johnson Foundation. 2006. Economic Benefits of Treating Substance Abuse Outweigh Costs.

2 DeLeire, Thomas, Joynt, Karen, McDonald, Ruth. 2014. Impact of Insurance Expansion on Hospital Uncompensated Care Costs in 2014. Department of Health and Human Services: Office of the Assistant Secretary for Planning and Evaluation.

3 Rodowitz, Robin, Snyder, Laura, Smith, Vernon K., Gifford, Kathleen, Ellis, Eileen. 2014. Implementing the ACA: Medicaid Spending and Enrollment Growth for FY 2014 and FY 2015. Kaiser Family Foundation: Kaiser Commission on Medicaid and the Uninsured.

4 Kleykamp, Meredith, Rosenfeld, Jake, Scotti, Roseanne. 2012. Wasting Money Wasting Lives. Drug Policy Alliance.