How Medicaid Work Requirements Will Harm People with Substance Use Disorders

Medicaid expansion under the Affordable Care Act (ACA) has significantly increased health coverage and access to treatment for people with substance use disorders (SUDs). But the new Trump Administration policy allowing states to base Medicaid eligibility on work or work-related activities threatens recent gains in health coverage and access to SUD treatment.

By itself, having a substance use disorder isn’t considered a disabling condition, so before the ACA expanded Medicaid, low-income adults with SUDs didn’t qualify unless they also had a physical or mental health disability. Now, adults with incomes below 138 percent of the poverty line can enroll regardless of disability, opening the door to coverage for far more adults with SUDs. In states that expanded Medicaid, the number of people hospitalized with a SUD who did not have health insurance decreased from about 20 percent in 2013 — before the ACA’s major coverage expansions — to 5 percent in 2015. And a growing number of states are using Medicaid to improve the capacity of substance use service providers to deliver comprehensive care.

But the Administration is now allowing states, starting with Kentucky and Indiana, to impose work requirements for adult Medicaid enrollees, other than those who qualify for Supplemental Security Income or Social Security disability benefits or can be deemed “medically frail.” These exemptions have created the false impression that people with SUDs will not be subject to work requirements. However, the definition of medically frail does not include all people with SUDs. Those who are eligible for an exemption will likely have trouble proving it due to bureaucratic obstacles and privacy concerns, and many people with SUDs can’t comply with the work requirements due to employment barriers.

Exemptions Leave Out Many People with SUDs

One problem is that many people with SUDs won’t be eligible for exemptions. By definition, the “medically frail” exemption includes people with “chronic” SUDs, but that suggests people must have had multiple episodes of substance use or that their illness has persisted for a long time. Many people with SUDs will not meet this standard.

The guidance acknowledges that many people with SUDs will have to meet the new work requirements and directs states to identify reasonable accommodations to help them comply. Examples of reasonable modifications in the guidance include allowing time spent in “medical treatment” to count toward the hours needed to fulfill the work requirement and exempting individuals receiving inpatient or intensive outpatient treatment. Kentucky, for instance, will require non-elderly adults to provide documents each month showing that they worked, searched for a job, or volunteered for at least 80 hours (unless they qualify for an exemption), and qualifying treatment will count toward those hours, while Indiana will exempt those in qualifying treatment programs from work requirements.

But the guidance’s accommodations fall short. First, even for those seeking treatment, there’s no guarantee they will be able to get the help they need. The National Survey on Drug Use and Health estimates that in 2016, about 15 percent of all unemployed U.S. adults needed SUD treatment (defined as services in an inpatient hospital, rehabilitation facility, or mental health center) but only 2.5 percent got care. Overall, of the 20 million adults who needed treatment in 2016, only 2 million got the help they needed.

Second, for those receiving treatment, treatment may not count toward or suffice to meet the work requirement. It’s not clear what constitutes a qualifying medical treatment that would count toward the required 80 hours in Kentucky, or in the case of Indiana, what treatment will exempt a beneficiary from the work requirement. It’s likely that a narrow range of treatment options, such as inpatient care or care at a mental health clinic, will qualify as “medical treatment,” and that several evidence-based behavioral health services delivered in the home or other informal setting may not. For example, assertive community treatment (ACT) brings together a multi-disciplinary team of professionals to help clients, specifically those with complex conditions, adhere to individualized treatment plans outside of a facility. Other services such as peer recovery supports where clients are paired with someone with similar experiences, and self-help groups such as Alcoholics Anonymous, are also unlikely to be included in the definition of medical treatment.

And for those who do get qualifying, likely inpatient care, they may need further care upon leaving, and finding a job immediately may be difficult. To maintain their sobriety and stability, people often need medically assisted treatment.
(which combines therapy with medication that blocks opioids’ effects on the brain), peer recovery supports, physical health care to address side effects of prior use, and other services such as mental health counseling. But under Kentucky’s work requirement, for example, people could lose access to all of these services unless they immediately find a job after exiting a treatment program.

**Burden of Proving Exemptions and Barriers to Employment Will Cause People to Lose Coverage**

To prove they are exempt or receiving qualifying treatment, people with SUDs will need to obtain letters from their health care providers, medical records, or whatever documentation a state deems necessary. Red tape and paperwork requirements have been shown to reduce enrollment in Medicaid across the board, and people coping with substance use disorders are more likely to face difficulties proving they are medically frail or that they are entitled to reasonable modifications.

Moreover, people with SUDs often have significant privacy concerns and may not trust Medicaid eligibility staff with information about their current or past substance use. People may fear criminal ramifications if the substance they are using is illegal or obtained illegally. When weighing what it takes to qualify for Medicaid against the possible consequences of disclosing their SUD, some people may forgo coverage, putting their treatment and stability at risk.

People with SUDs often require support services to overcome barriers to employment. The guidance recognizes this, by requiring that states provide “reasonable modifications,” including “provision of support services necessary to participate [in work or community engagements], where participation is possible with supports,” in order to adhere to the Americans with Disabilities Act and other legislation protecting people with disabilities. But the guidance doesn’t require states to devote resources to these supports, and it’s explicit that federal Medicaid funding cannot help pay for them. Without additional funding, budget-strapped states likely won’t adequately implement this requirement, limiting employment opportunities for people with SUDs and making it more likely they will be unable to comply.

**Losing Coverage Will Worsen Access to Treatment, Lead to Poor Outcomes**

CMS tries to justify Medicaid work requirements largely by citing research showing that people with jobs have better health and higher incomes than people without jobs. But that research doesn’t show that employment actually causes improved health. A SUD diagnosis is based partly on whether the person’s substance use results in a failure to meet major responsibilities at work, school, or home. Cutting off people’s coverage because they can’t meet a work requirement will make it impossible for many people with SUDs to address their illness, which is part of why groups like the Legal Action Center, the National Council for Behavioral Health, and the American Psychiatric Association oppose Medicaid work requirements.

Many people with SUDs relapse several times, and often go in and out of the workforce. In states with work requirements, a relapse and loss of employment would likely lead a person to lose Medicaid and the ability to pay for treatment, unless she knew that an exemption might be available and was able to obtain it, which would be hard for someone who has relapsed. Medicaid work requirements will be especially harsh for people with SUDs exiting jails and prisons. Not having health coverage could delay or prevent a person’s access to treatment in the community and jeopardize not only their recovery but their ability to stay out of jail or prison.

Finally, people with SUDs often initially seek health care for physical health conditions and the side effects of addiction disorders. Without health insurance, people may delay treatment for both their physical health conditions and for SUDs, leading not only to untreated SUDs but other poor health outcomes, such as liver disease, brain damage, and death.