

Position Paper on New Hampshire Medicaid Expansion**April 2013****New Futures' Position**

New Futures strongly supports the expansion of NH Medicaid to impoverished adults. Expansion provides an unprecedented opportunity to increase access to needed services for alcohol and other drug problems.

Justification

Expanding Medicaid access to impoverished adults in New Hampshire is an extraordinary opportunity to offer healthcare, **mental health care, and substance use disorder services** to 58,000 uninsured or underinsured residents. This expansion would cover all adults in NH between the ages of 19 and 65 who are not currently eligible for Medicaid *and* whose incomes do not exceed 138% of the Federal Poverty Level - \$15,500 a year for a single person and \$32,000 for a family of four. It is estimated that 7,730 people will meet criteria for substance use disorder services if New Hampshire expands its Medicaid program. This coverage would be a great leap forward in closing the addiction treatment gap in New Hampshire, which has some of the highest alcohol and other drug abuse rates in the nation and one of the lowest rates of access to treatment.

NH has woefully inadequate access to services to address the scope of the alcohol and other drug problems in our communities. Of the 113,000 New Hampshire residents estimated to need treatment for alcohol and other drug disorders only 6000 were able to get needed treatment. The vast majority of that care is uncompensated.

New Hampshire and its economy will incur direct and indirect public and private costs of the newly eligible individuals in need of treatment for excessive alcohol consumption regardless of whether or not they receive Medicaid. However, under Medicaid expansion, treatment costs for these individuals can be borne primarily by the federal government. This will decrease the uncompensated care currently being provided by substance use disorder service providers. As a result, the expansion of Medicaid will allow for increased access to treatment for this population.

The net benefits to New Hampshire's productivity and the New Hampshire economy that accrue from increased treatments make a strong benefit-to-cost rationale for expanding treatment programs and increasing New Hampshire's very low treatment rates. The 2012 PolEcon Report "The High Cost of Excessive Alcohol Consumption in New Hampshire" concludes that "alcohol treatment and prevention is likely to have a greater long-term economic impact than nearly all other strategies to improve the performance of the New Hampshire economy."

Implementation of Medicaid expansion in New Hampshire would increase access to treatment, strengthen New Hampshire's economy, reduce uncompensated care, and improve the health of New Hampshire's poorest families.

Background

Federal Law

Ground-breaking expansion of addiction and mental health coverage of prevention, treatment and recovery was included as part of the healthcare reform law, the Patient Protection and Affordable Care Act, passed in March 2010. The law includes substance use disorder and mental health services as required benefits in the basic benefit package for individual and small business health plans and Medicaid expansion. The law further requires that all plans in the health insurance exchange and Medicaid expansion comply with the Wellstone/Domenici Parity Act of 2008 in providing substance use disorder and mental health services benefits in the same way as all other covered medical and surgical benefits. These reforms represent significant progress in expanding and improving New Hampshire's health responses to alcohol and other drug problems, including prevention, treatment, and recovery.

In June 2012, the United States Supreme Court essentially upheld the new healthcare law. One caveat of the ruling allows states to keep their existing Medicaid funding regardless of their participation in the Medicaid expansion. This effectively created a choice for states. Subsequent guidance is clear that states can opt into and out of the Medicaid expansion on a timeline of their choosing. New Futures is advocating for expansion coverage to begin in January 2014.

State Plan

The New Hampshire Governor's Commission on Alcohol and Drug Abuse Prevention, Intervention and Treatment, established in 2000, initiated a strategic planning process early in 2012 to identify key priorities, strategy areas, and activities for the Commission's member agencies, other state level stakeholders, and community sectors to increase their efforts to address alcohol and other drug misuse. The plan "Collective Action – Collective Impact: New Hampshire's Strategy for Reducing the Misuse of Alcohol and Other Drugs and Promoting Recovery 2013-2017" was publicly released in February 2013.

The plan contains two core goals to be met over the next five years. These are 1) *to reduce the percentage of New Hampshire residents misusing alcohol and other drugs* and 2) *to increase the percentage of individuals with substance use disorders receiving treatment and recovery support services*. These goals apply to four problems of focus: alcohol misuse, marijuana use, prescription drug misuse, and the incidence of persons with substance use or co-occurring substance use and mental health disorders seeking and not receiving treatment or recovery support services.

The goals of this plan cannot be realized without expansion of substance use disorder services to impoverished adults, which could be most cost-effectively achieved through NH Medicaid expansion.

Cost

In our state's upcoming fiscal biennium (July 1, 2013, to June 30, 2015), the Medicaid expansion is an extraordinary bargain. According to the Lewin Group, the expansion would cost NH zero state general fund dollars, while leveraging \$422 million in federal funds for the state. NH's share of the cost of the expansion during the first 7 years totals only \$18.4 million while securing \$2.5 billion in federal funds. That is a 13,400% return on state investment over 7 years – and is just *a bit more than one-quarter of a 1% increase over what NH would be spending on its existing Medicaid program anyway* – to cover 58,000 additional NH residents and dramatically increase access to substance use disorder services in the state.