

The Impact of Medicaid Expansion

Allegheny County's HealthChoices Behavioral Health Program

A report from Allegheny HealthChoices, Inc.

March 2017

The Patient Protection and Affordable Care Act (often referred to as the Affordable Care Act or ACA) is the comprehensive health care reform law enacted in the United States in 2010.ⁱ One of the primary goals is to give more Americans access to health insurance.ⁱ A major component in providing access to health insurance is Medicaid expansion, which broadens Medicaid eligibility to all adults (ages 18 - 64) with income below 138% of the Federal Poverty Level (FPL), or \$27,821 for a family of three.ⁱ Historically, Medicaid benefits have only been available to low-income children and their parents, pregnant women, and individuals with disabilities, with few states offering coverage to low-income, childless adults.¹⁻³

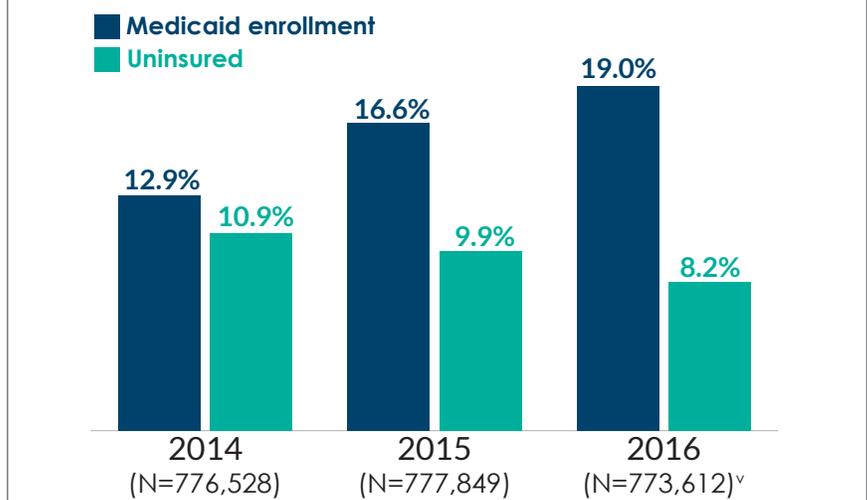
This report highlights the impact of Medicaid expansion on behavioral health care overall (lower uninsured rates, increased use of behavioral health services, and increased cost savings), and specifically for Allegheny County's HealthChoices Behavioral Health Program from July 2015 through December 2016.ⁱⁱ Potential consequences of eliminating Medicaid expansion are also discussed.

1. Medicaid expansion increased the number of people insured

Pennsylvania's Medicaid expansion took effect in January 2015. By December 2016, 85,472 Allegheny County residents were enrolled under expansion. Among those covered were many low-income working Americans who did not have or did not qualify for coverage through their employer, and yet could not afford health coverage on their own.⁴

From 2014 to 2016, Medicaid enrollment for all adultsⁱⁱⁱ in Allegheny County increased by 6.1 percentage points (47.7K people) and the uninsured rate decreased by 2.7 percentage points (21.2K people).

Percent of adults (ages 18-64)ⁱⁱⁱ in Allegheny County enrolled in Medicaid versus the percent of adults uninsured,^{iv} by calendar year



ⁱ For more information on the Affordable Care Act, please visit <http://files.kff.org/attachment/fact-sheet-summary-of-the-affordable-care-act> or <http://obamacarefacts.com/>.

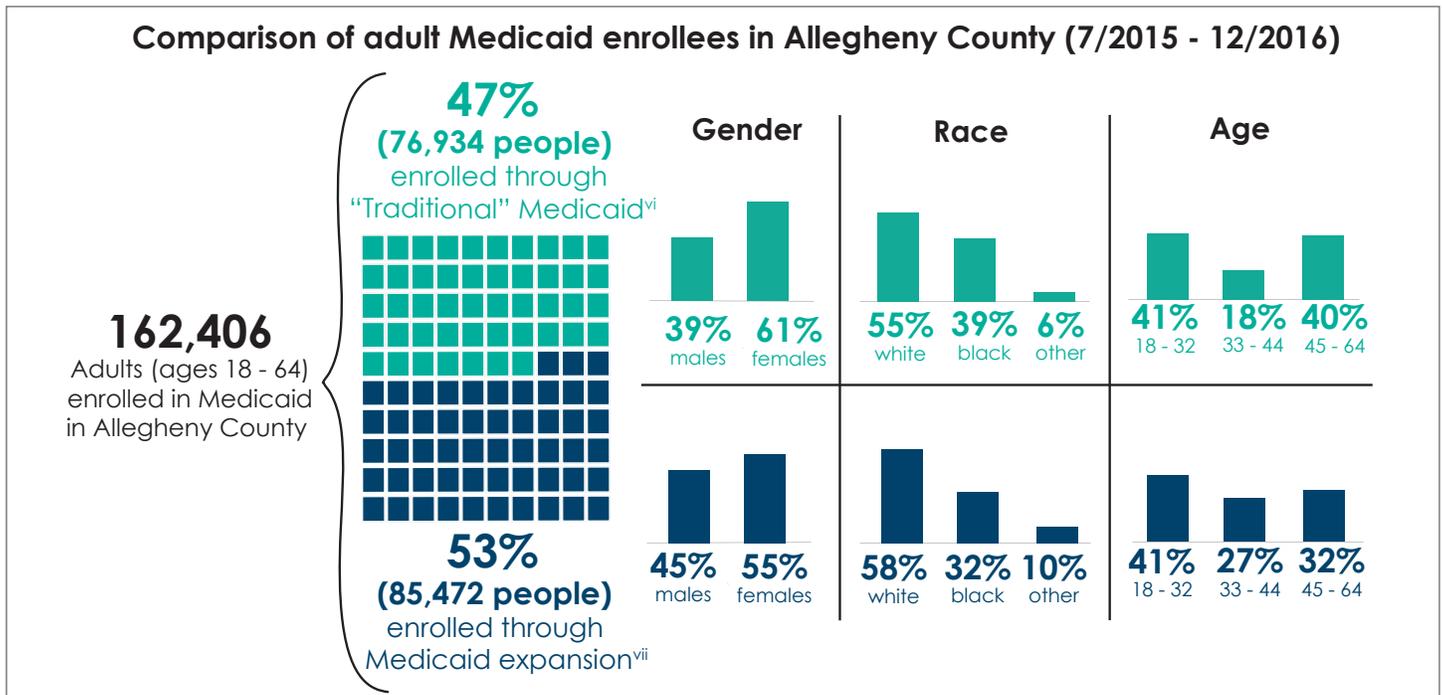
ⁱⁱ HealthChoices is Pennsylvania's mandatory managed care program for Medicaid recipients. HealthChoices provides services to address physical and behavioral (mental health and substance use disorders) health needs.

ⁱⁱⁱ Adult population, referenced throughout this report, excludes active-duty military personnel and the population living in correctional facilities and nursing homes.

^{iv} 2016 estimated uninsured data retrieved from Enroll America, State Profiles - Pennsylvania at https://s3.amazonaws.com/assets.enrollamerica.org/wp-content/uploads/2016/11/11170442/PACountyData_2016.pdf. 2014 - 2015 uninsured data retrieved from PA Department of Human Services. (2017). Medicaid Expansion Report at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_257436.pdf

^v The estimated population in Allegheny County as of July 1, 2016 was 1,225,365. The civilian non-institutionalized population was estimated to be 98.8% of the total population or 1,210,661. The number of adults between the ages of 18 and 64 was estimated as 63.9% of the civilian non-institutionalized population or 773,612. Estimate calculations were based on population trends observed from U.S. Census Bureau data for Allegheny County in CY 2014 and CY 2015. Population total for CY 2012 - CY 2016 are reported from U.S. Census Bureau data for Allegheny County, available at http://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml.

In Allegheny County, Medicaid expansion accounted for a little over half (53%) of the adults (ages 18 - 64) enrolled in Medicaid between July 2015 and December 2016. These individuals were similar demographically to "Traditional" Medicaid^{vi} enrollees; mostly female, white, and between the ages of 18 and 32.



2. Medicaid expansion increased access to behavioral health services

In the United States, an estimated 20% of adults (ages 18 – 64) experienced a mental illness in the past year and 10% faced a substance use disorder.⁴ People with substance use disorders and/or mental illness typically lack consistent insurance coverage and often cannot access basic care (screenings, assessments, treatment, and prescriptions drugs), making it more difficult for them to manage their illnesses.⁴ In states that have expanded Medicaid, people are now accessing needed treatment for behavioral health issues.⁵

Faces of Medicaid Expansion . . .

John W., age 32

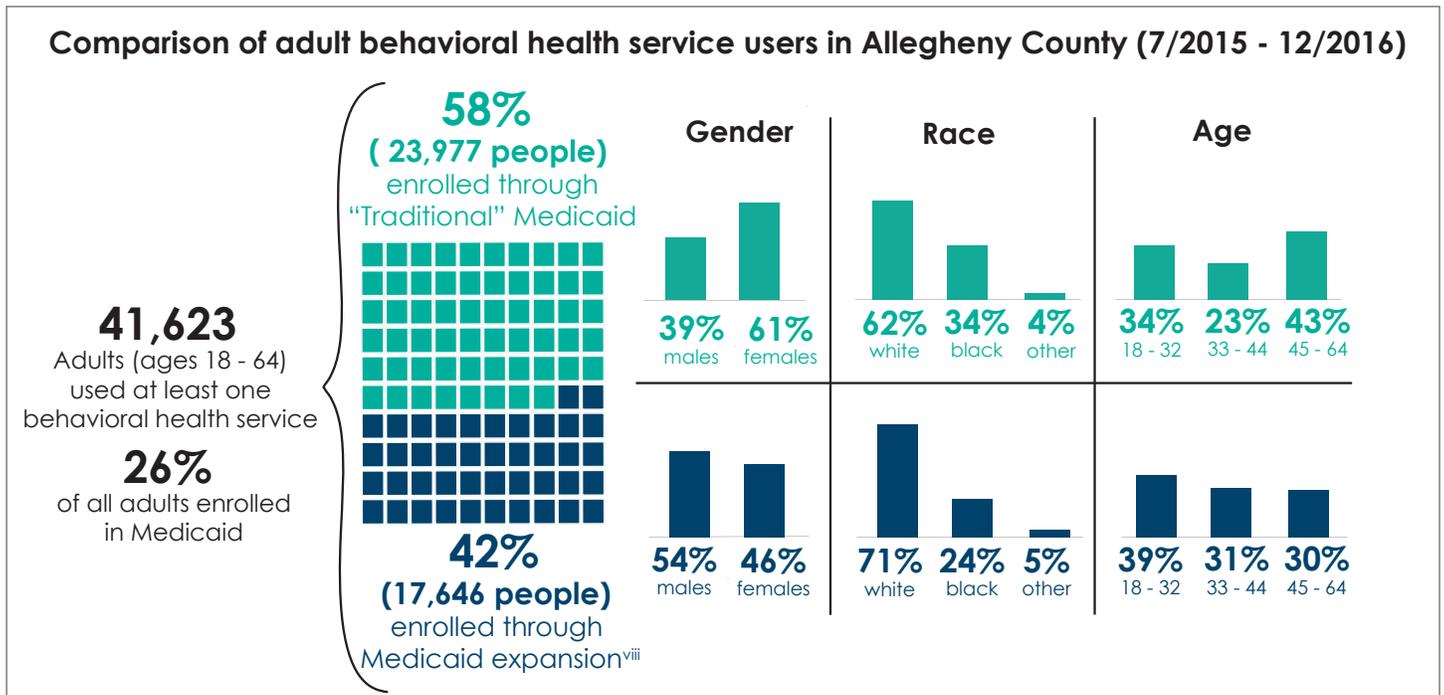
When John lost his customer service job, he was offered COBRA but he could not afford the \$400 monthly premiums. He was uninsured for about a year, and struggled to manage severe allergies and depression on his own. The stress of making ends meet also affected John's mental health. He found it difficult to stay balanced but could not afford to see a physician. "When you don't have health insurance, you don't have any way of getting to a doctor or any means of paying for a doctor..." Through Medicaid, John is now able to see a physician who can treat his allergies and depression and help him manage his day-to-day activities more effectively. He now takes a prescription for his allergy symptoms, has gained control over his depression, and now has access to a therapist who helps reduce his anxiety. John says, "[Medicaid has] been really helpful.... It's nice to know it's there if I need it."

- Source: *FACES OF THE MEDICAID EXPANSION: How Obtaining Medicaid Coverage Impacts Low- Income Adults*, (Kaiser Commission on Medicaid and the Uninsured, January 2013)

^{vi} For the purposes of this report "Traditional" Medicaid refers to coverage via Medicaid enrollment categories, other than expansion, that would cover individuals between the ages of 18 and 64. These categories include Temporary Assistance for Needy Families (TANF), State-Only general assistance (categorically needy and medically needy), and Social Security with and without Medicare. More information regarding enrollment categories can be found at http://www.dhs.pa.gov/cs/groups/webcontent/documents/manual/p_003130.pdf.

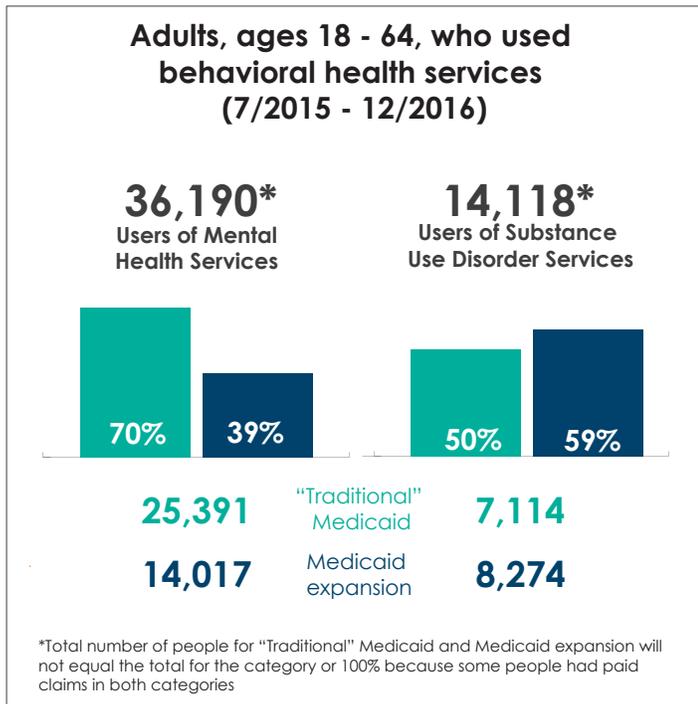
^{vii} 24,003 people (28% of 85,472) included in the demographics for the Medicaid expansion cohort were also enrolled in "Traditional" Medicaid at some point between July 2015 and December 2016. They were mostly female (70%), white (52%), and between the ages of 18 and 32 (46%).

In Allegheny County, 42% of the people who used behavioral health services were enrolled through Medicaid expansion. They were mostly male, white, and between 18 and 32 years of age. "Traditional" Medicaid service users were also white, but were mostly female and older (between 45 and 64 years of age).

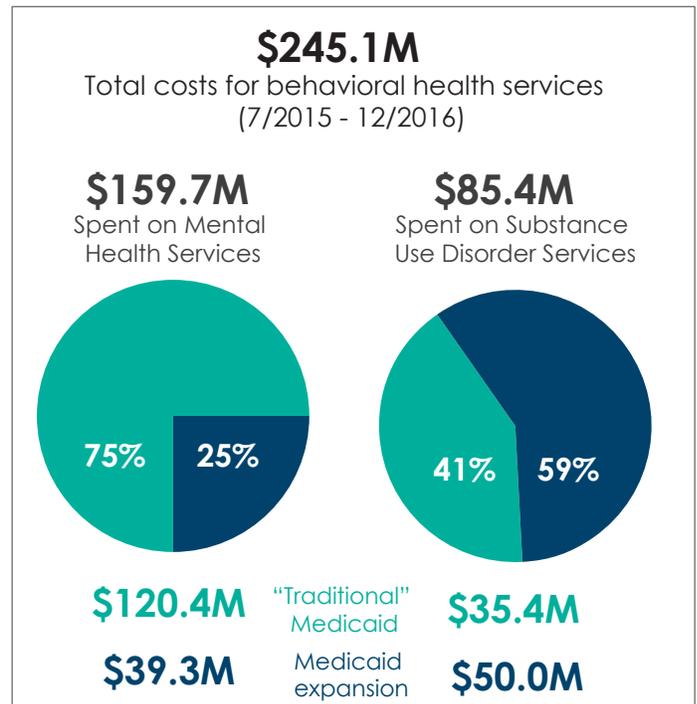


When looking at the Medicaid expansion population in Allegheny County, this group accounted for 39% of all mental health service users and 25% of the total paid claims. For substance use disorder services, the expansion population accounted for 59% of both service users and total paid claims.

Service Users



Service Costs



^{viii} 4,039 people included in the demographics for service users enrolled through Medicaid expansion also used services under "Traditional" Medicaid at some point between July 2015 and December 2016. They were mostly female (61%), white (72%), and between the ages of 18 and 32 (35%).

3. Medicaid expansion has helped to address the opioid epidemic

In 2015, more than 12 million Americans reported misusing opioid pain relievers, with two million people reported to have an addiction.⁶⁻⁷ Nearly one million Americans reported using heroin, with 591,000 reported to have an addiction.⁶⁻⁷ Along with the increase in drug use and addiction, opioid-related^{ix} overdose deaths tripled from 2002 to 2015 nationwide; from 11,917 to 33,091 deaths.⁶⁻⁷ In Pennsylvania, there were 3,264 deaths in 2015, a statistically significant increase from 2014.^x In 2016, there were 613 overdose deaths in Allegheny County, an increase of 189 from 2015.^{xi} Substance use related overdose deaths are a concern and top priority area of focus in Allegheny County.^{xii}

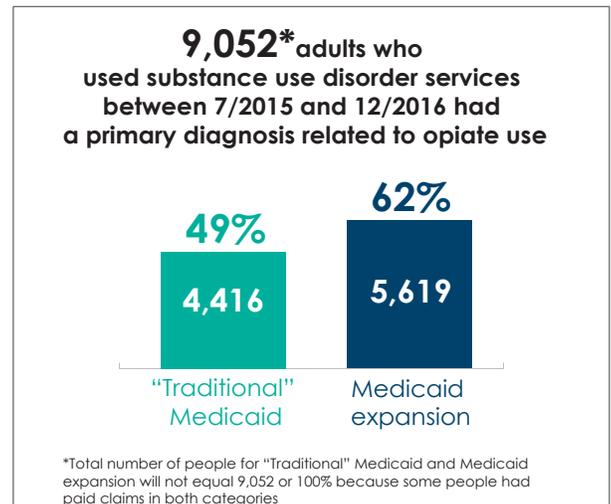
In Allegheny County, the top five substance use disorder (SUD) services were the same for people enrolled through "Traditional" Medicaid and those enrolled through Medicaid expansion. Outpatient SUD treatment, the most commonly used service, was used by over 70% of people in both groups. SUD service users enrolled via "Traditional" Medicaid were more likely to use methadone maintenance. SUD service users in the Medicaid expansion population were more likely to use non-hospital detoxification and rehabilitation.

When considering the people with opioid diagnoses that received treatment, more people (62%) were enrolled via Medicaid expansion compared to "Traditional" Medicaid (49%).

Top five substance use disorder services* in alphabetical order (7/2015 - 12/2016)	Percent of People**	
	"Traditional" Medicaid N = 7,114	Medicaid expansion N = 8,274
Intensive Outpatient	19%	24%
Methadone Maintenance	26%	18%
Non-Hospital Detoxification	15%	24%
Non-Hospital Rehabilitation	24%	37%
Outpatient	77%	74%

**Statistically significant differences between the two groups are highlighted*

***People could use more than one service*



4. Medicaid expansion has increased cost savings for state and local governments

States that have implemented Medicaid expansion have been able to save financially (behavioral health care cost savings and uncompensated care costs^{xiii}), as the federal government paid the entire cost of covering the new Medicaid enrollees through 2016 and no less than 90% of the cost thereafter.^{2,4,8-9} These net budget savings are partly due to the fact that expansion has reduced the burden on largely state-funded programs that provide treatment to people who are uninsured.⁴

^{ix} The category of opiates includes both heroin and prescription painkillers, such as oxycodone, hydrocodone, and fentanyl.⁷

^x State related overdose death data was obtained from the Center for Disease Control's (CDCs) Drug Overdose Death data website accessible at <https://www.cdc.gov/drugoverdose/data/statedeaths.html>.

^{xi} County related overdose death data was obtained from the OverdoseFreePA data charts accessible at <https://www.overdosefreepa.pitt.edu/charts/>.

^{xii} For more information on Opiate-Related Overdose Deaths in Allegheny County and county efforts and initiatives to address this concern see http://www.achd.net/overdoseprevention/Opiate-Related_Overdose_Deaths_in_Allegheny_County.pdf.

^{xiii} Uncompensated care is the total amount of health care services provided by a hospital, physician, or other health care professional, to patients for whom no charge is made and from whom no payment is expected.⁵

In Allegheny County, Block Grant funds are used to provide services to people who are uninsured, as well as to deliver services and supports not covered under Medicaid. With more people covered via expansion, the County is able to use available funding to provide services not covered by Medicaid (i.e. non-treatment, recovery-oriented, peer-focused programs) that are essential in helping people with their recovery.

5. Eliminating Medicaid expansion will negatively impact many people currently receiving services

As evidenced throughout this report, Medicaid expansion has reduced the number of people who are uninsured and allowed people to obtain treatment for mental illness and substance use disorders. In addition, states have been able to experience cost savings that can be invested to support state or locally run programs (i.e. non-treatment, recovery oriented, peer focused programs). Without Medicaid expansion, the monies historically available for these state and local programs will need to be diverted to pay for those who will again be uninsured, and any gains likely lost.

- Up to, and quite possibly more than, 11 million low-income Americans in the 31 states (plus the District of Columbia) that have expanded Medicaid could lose coverage for behavioral and physical health care, leading to reversals in uninsured rates.¹¹⁻¹³ This equates to 85,472 people in Allegheny County losing coverage.
- Nearly 1.3 million people (17,646 in Allegheny County) receiving treatment for mental health and substance use disorders under Medicaid expansion could lose coverage.¹⁴ This raises major concerns as research indicates that adults with untreated behavioral health conditions are already at risk for diminished quality of life, co-occurring medical conditions, hospitalizations, incarcerations, shortened life expectancy, and suicide.¹⁵⁻¹⁶
- In the midst of the opioid epidemic, many people with an opioid use disorder would lose coverage, which puts them at further risk of overdosing and/or death. This includes 5,619 people in Allegheny County. Although the epidemic continues, it would likely be worse without Medicaid expansion, and states that have expanded are better positioned to address this crisis.⁶
- People losing health insurance coverage would transfer the burden for financing care back to states and local governments. With less money for Medicaid, eligibility and/or benefits will have to be reduced. Since the need for behavioral health services will still exist, local governments may have to shift funding from other human services (i.e. funds for the homeless, foster care, aging), causing strain on already limited resources, and reversing savings that have been gained.^{11,14} In addition, people may again rely on emergency rooms, causing uncompensated care cost for hospitals and doctors to increase again.

Faces of Medicaid Expansion . . .

Bobby, age 46

Bobby was uninsured for two and a half years after losing his insurance, and he describes it as a challenging period. Without insurance, he was no longer able to afford his \$200 monthly prescription for anti-depressants, became withdrawn, and struggled to maintain relationships in both his work and personal life. With Medicaid, Bobby is now able to get the prescriptions he needs to manage his depression and anxiety. Bobby is thankful for Medicaid, explaining, "The program allows me to be healthier, to live longer, and not [have] to use the emergency room."

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AHCI's mission is to assure equitable access to quality, cost-effective behavioral health care that promotes positive clinical outcomes, recovery, and resiliency.

AHCI is a contract agency for Allegheny County Department of Human Services's Office of Behavioral Health.