

The CBHSQ Report

Short Report

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THE SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT IS STILL IMPORTANT EVEN WITH THE EXPANSION OF MEDICAID

AUTHORS

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INTRODUCTION

The Substance Abuse and Mental Health Services Administration (SAMHSA) administers two types of block grants, the Community Mental Health Block Grants (MHBGs) and the Substance Abuse Block Grants (SABGs). They serve as a “safety net,” which has been defined in the health care literature,^{1,2} for individuals without health insurance or other resources who seek specialty mental health or substance use treatment and prevention services. Block grant funds are allocated to the states, the District of Columbia, and territories according to a congressionally mandated formula.³ These block grants predominantly pay for outpatient services and, to a much lesser extent, residential services and inpatient substance abuse detoxification.⁴ Almost all of these jurisdictions use the block grant funds to pay for services at specialty mental health and substance use facilities and programs.⁵

The two SAMHSA block grants equaled \$3.1 billion for fiscal year 2014; this funding accounted for about 9 percent of the total mental health public financing and about 16 percent of the total substance abuse public health financing in the United States.⁶ SAMHSA block grant funds are commingled with other public funds, as well as with Medicaid, health care insurance, and private payments.⁷

With the implementation of the Patient Protection and Affordable Care Act, also known as the Affordable Care Act, some uninsured, low-income individuals whose treatment would have been covered by the SAMHSA block grants are likely to now be covered by Medicaid.⁸ This report examines this potential shift from public funds to Medicaid coverage for substance use treatment and its impact on certain vulnerable populations (i.e., those who were uninsured and either unemployed or not in the labor force, those who were homeless, and those who were incarcerated).



In Brief

- The SAMHSA block grants serve as a safety net for individuals without health insurance or other resources who seek specialty substance use treatment and prevention services.
- Under the Affordable Care Act, some of the treatment options that were covered by the SAMHSA block grants are likely to be covered by the expansion of Medicaid.
- Despite the expected increase in Medicaid enrollment, this short report finds that the Substance Abuse Prevention and Treatment Block Grant (SABG) will still be important in paying for specialty substance abuse treatment for uninsured, low-income individuals.

DATA SOURCES AND DEFINITIONS

The Treatment Episode Data Set (TEDS) is a national data system of admissions to publicly funded substance abuse treatment facilities reported to SAMHSA by state substance abuse agencies. TEDS data do not include all admissions to substance abuse treatment. TEDS includes admissions to facilities that are licensed or certified by a state substance abuse agency to provide substance abuse treatment; therefore, those admissions represent the public burden. Because TEDS is an admissions-based system, it does not represent individuals. Thus, an individual admitted to treatment twice within a calendar year would be counted as two admissions. Because TEDS is a census and involves actual counts rather than estimates, statistical significance and confidence intervals do not apply. The differences between subgroups mentioned in the text of this report have Cohen's h effect sizes ≥ 0.20 , indicating that the differences between subgroups are considered meaningful.

TEDS data for 2014, when the Affordable Care Act was fully implemented, are not yet available. The latest data available are for 2012; as the type of health insurance coverage and employment status changes very little from year to year in TEDS, the situation in 2014 can be expected to be represented by that in 2012. TEDS data for 2012 were received through October 17, 2013. In 2012, the total number of TEDS admissions aged 12 or older was about 1.7 million.

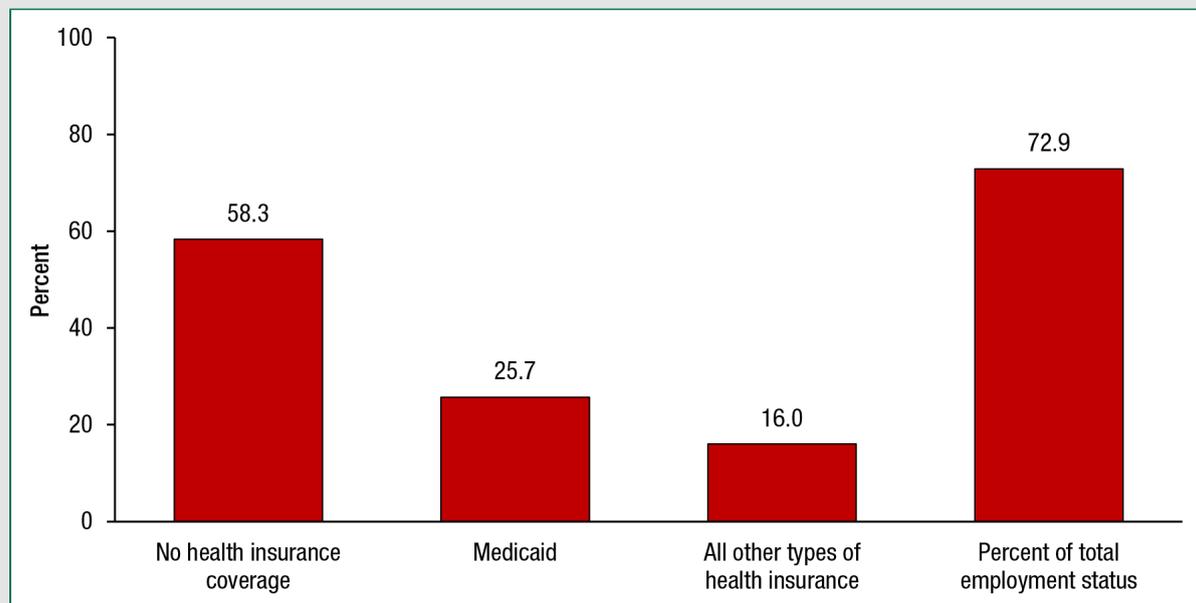
TEDS collects data on the employment and health insurance status⁹ for admissions to substance abuse treatment facilities. The Affordable Care Act expands Medicaid coverage to adults below 138 percent of the Federal Poverty Levels (FPL) (i.e., \$15,856 for an individual or \$26,951 for a family of 3 in 2013); however, a June 2012 Supreme Court decision allowed states to opt out of Medicaid expansion.¹⁰ Adults who live in states that have opted to expand Medicaid and who are uninsured and whose income falls below the FPL may be able to enroll in Medicaid.¹¹ Based on recent studies of enrollment under the Affordable Care Act, this report assumes that those who have no coverage and who are unemployed or not in the labor force will likely meet income eligibility criteria for Medicaid.¹²

RESULTS

In 2012, the majority of substance abuse treatment admissions aged 18 to 64 (72.9 percent) with known insurance status were either unemployed or not in the labor force. Of these admissions, 58.3 percent did not have health insurance, 25.7 percent had Medicaid coverage, and 16.0 percent had some other type of health insurance (Figure 1). The 58.3 percent who were uninsured and unemployed or not in the labor force would likely be covered by public funds, which could include SABG funding, as well as Medicaid for those newly enrolled under the Affordable Care Act. It is unlikely that Medicaid—which prior to full implementation covered 25.7 percent of those who were unemployed or not in the labor force— can absorb the entire 58.3 percent who were uninsured and unemployed or not in the labor force.

Two vulnerable populations, the homeless and institutional inmates, are likely to continue to depend on public funding to cover the costs of substance abuse treatment. Although these two groups were small in comparison with the total admissions in 2012, 65.6 percent of homeless admissions¹³ aged 18 to 64 and 84.9 percent of admissions in the same age group who were inmates of an institution¹⁴ had no health care insurance. By contrast, only 24.2 percent of homeless admissions aged 18 to 64 and 6.2 percent of institutional inmates had Medicaid. Medicaid does not cover those in the criminal justice system, whereas the SABG provides funding to treat those referred from the criminal justice system. Enrollment in Medicaid can be difficult for the homeless. Thus, public funding will continue to be important for these two vulnerable populations.

Figure 1. Health insurance coverage among substance abuse treatment admissions aged 18 to 64 who were unemployed or not in the labor force: TEDS 2012



Source: SAMHSA Treatment Episode Data Set (TEDS), 2012.

DISCUSSION

Under the Affordable Care Act, some of the treatment that has been covered by the SABG is likely to be covered by the expansion of Medicaid. Despite the expected increase in Medicaid enrollment, the SABG will still be important in paying for specialty substance abuse treatment for uninsured, low-income individuals.

The expansion of Medicaid under the Affordable Care Act is designed to enroll those without health insurance whose family incomes are, in general, less than 138 percent of the FPL.¹⁵ In 2012, 58.3 percent of substance abuse treatment admissions aged 18 to 64 who were unemployed or not in the labor force were without health insurance. Those without health insurance are eligible to enroll in Medicaid or, if their income is greater than 138 percent of the FPL, the health insurance exchanges. Many of these newly eligible are likely to be single adults living without children.¹⁶ If individuals newly enrolled in Medicaid receive specialty substance abuse treatment, their providers are likely to be reimbursed by Medicaid.

The Affordable Care Act may bring in newly enrolled Medicaid patients to substance abuse treatment facilities who otherwise would have been funded from public funds such as the SABG. Still, these facilities treating newly enrolled Medicaid patients may need to use the SABG and other governmental, non-Medicaid funds for more comprehensive treatment or for ancillary services not covered by Medicaid or other private health insurance. Certain social services that supplement substance abuse treatment are not covered by Medicaid. For example, although Medicaid may cover services provided in supportive housing settings, it is precluded from covering direct housing costs. Medicaid may cover employment supports and educational supports (often through waivers or state plan amendments under Section 1915 of the Social Security Act), but states will likely use the SABG and other public funding to support such ancillary services.¹⁶

A significant number of individuals who are coming out of jails or prisons will be eligible for Medicaid for the first time as a result of the Affordable Care Act. Importantly, of the 2.3 million inmates in U.S. prisons in 2010, 1.5 million (65 percent) met the *Diagnostic and Statistical Manual of Mental Disorders*, fourth edition (DSM-IV) medical criteria for alcohol or other drug abuse or addiction.¹⁶ Some states have begun to enroll the formerly incarcerated in Medicaid in order to provide specialty substance abuse treatment.¹⁶ Likewise, some states have begun outreach to enroll homeless substance users in need of treatment in Medicaid.¹⁷ Not all eligible individuals will enroll in Medicaid, however—only about two-thirds of those who are eligible ultimately enroll¹⁸—so treatment facilities will likely depend on the SABG funding. Two vulnerable populations, the incarcerated and the homeless, are either ineligible or unlikely to enroll in Medicaid but will still need substance abuse treatment. For these reasons, the SABG will still be important as safety-net funding for specialty substance use treatment.^{19,20}

END NOTES

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SUGGESTED CITATION

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SUMMARY

Background: With the implementation of the Patient Protection and Affordable Care Act, also known as the Affordable Care Act, some uninsured, low-income individuals whose treatment would have been covered by the Substance Abuse Block Grant (SABG) are likely to now be covered by Medicaid. **Method:** The Treatment Episode Data Set (TEDS) data were used in this report. TEDS is a national data system of admissions to publicly-funded substance use treatment facilities reported to SAMHSA by state substance abuse agencies. **Results:** The 58.3 percent who were uninsured and either unemployed or not in the labor force will likely be covered by public funds, which could include SABG funding, as well as Medicaid for those newly enrolled under the Affordable Care Act. It is unlikely that Medicaid can absorb the entire 58.3 percent who were uninsured and either unemployed or not in the labor force. **Conclusion:** Despite the expected increase in Medicaid enrollment, the SABG will continue to be important in paying for specialty substance use treatment for uninsured, low-income individuals.

Keywords: SAMHSA block grant, Medicaid expansion, substance use treatment, uninsured, unemployed, not in the labor force, homeless, incarcerated

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KEYWORDS

All US States and Territories, Short Report, Client-Level Data, 2012, Health Insurance Providers, HHS Staff, Policymakers, Program Planners Administrators and Project Managers, Public Health Professionals, Public Officials, Researchers, People with Substance Use or Abuse Problems as Population Group, Underserved, Treatment Improvement, Treatment, Insurance Coverage Status

The Substance Abuse and Mental Health Services Administration (SAMHSA) is the agency within the U.S. Department of Health and Human Services that leads public health efforts to advance the behavioral health of the nation. SAMHSA's mission is to reduce the impact of substance abuse and mental illness on America's communities.

The Treatment Episode Set (TEDS) is an administrative data system providing descriptive information about the national flow of admissions aged 12 or older to providers of substance abuse treatment. TEDS intends to collect data on all treatment admissions to substance abuse treatment programs in the United States receiving public funds. Treatment programs receiving any public funds are requested to provide TEDS data on publicly and privately funded clients.

TEDS is one component of the Behavioral Health Services Information System (BHSIS), maintained by the Center for Behavioral Health Statistics and Quality (CBHSQ), SAMHSA. TEDS records represent admissions rather than individuals, as a person may be admitted to treatment more than once. Information on treatment admissions is routinely collected by State administrative systems and then submitted to SAMHSA in a standard format.

There are significant differences among State data collection systems. Sources of state variation include the amount of public funding available and the constraints placed on the use of funds, facilities reporting TEDS data, clients included, services offered, and completeness and timeliness of reporting. See the annual TEDS reports for details. TEDS received approximately 1.8 million treatment admission records from 48 States and Puerto Rico for 2010.

Definitions of demographic, substance use, and other measures mentioned in this report are available in Appendix B of the annual TEDS report on national admissions (see latest report at http://www.samhsa.gov/data/sites/default/files/TEDS2012N_Web/TEDS2012NAppB.htm).

The TEDS Report is prepared by the Center for Behavioral Health Statistics and Quality, SAMHSA; Synectics for Management Decisions, Inc., Arlington, VA; and RTI International, Research Triangle Park, NC. Information and data for this issue are based on data reported to TEDS through October 10, 2011.

Latest TEDS Reports:

<http://www.samhsa.gov/data/client-level-data-teds>

Latest TEDS public use files and variable definitions:

<http://datafiles.samhsa.gov>

Other Substance abuse reports:

<http://www.samhsa.gov/data>



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