

The Medicaid Coverage for Addiction Recovery Expansion (Medicaid CARE) Act  
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Heroin and prescription opioid abuse have contributed to an unprecedented rise in overdose deaths in recent years, impacting communities of all sizes and socioeconomic statuses across the nation. This epidemic shines a light on the pressing need for substance use disorder treatment, and the substantial barriers that too many Americans face in accessing care.

From 2002 to 2013, the number of deaths from heroin overdoses nearly quadrupled. Yet according to the Substance Abuse and Mental Health Services Administration, in 2014, less than 12 percent of the 21.5 million Americans suffering with a substance use disorder received specialty treatment. We would not accept treatment rates this low for other diseases.

Current Medicaid policy has the unintended consequence of limiting treatment for the most vulnerable populations. As more people become eligible for Medicaid, there is also a growing imperative to expand behavioral health benefits to ensure treatment needs are met. This is even more urgent given that, according to the Centers for Medicare and Medicaid Services, Medicaid beneficiaries are prescribed painkillers at twice the rate of non-Medicaid patients and are at three-to-six times the risk of prescription painkiller overdose.

**Background:** The “Institutes for Mental Disease (IMD) Exclusion” limits the amount of Medicaid coverage for services provided by institutions that specialize in providing mental health and substance use disorder treatment. Currently, the IMD Exclusion prohibits the use of federal funding through Medicaid for any care (including physical health care) provided to patients 22-64 years old in a mental health or substance abuse facility with more than 16 beds.

The IMD Exclusion is an arcane policy created in 1965 to leave the provision and funding of mental health services to state governments. However, improved medical understandings of addiction and the more recent ICD-10 classification of substance use disorders as a behavioral health disorder demand a change to this outdated policy. The growing burden of the heroin and prescription opioid crisis adds to the imperative that Congress remove this barrier to cost-effective and clinically appropriate care.

**Bill Summary:** To help expand access to substance use disorder treatment, the bill modifies the existing Medicaid IMD Exclusion to allow payments for certain residential treatment facilities to treat individuals with substance use disorders.

Specifically, the bill exempts from the IMD Exclusion “residential addiction treatment facilities” that 1) furnish substance abuse services; 2) are accredited by a national agency; 3) have less than 40 beds; and 4) provide services to adults age 22-64 for up to 60 consecutive days, depending on the medical needs and recovery progress of the patient.

The legislation also establishes a new \$50 million youth inpatient addiction treatment grant program to fund facilities that provide substance use disorder treatment services to underserved, at-risk Medicaid beneficiaries who are younger than 21, with an emphasis on rural communities.