Center for Health Care Strategies

State Principles for Financing Substance Use Care, Treatment, and Support Services

TAKEAWAYS

- More than 932,000 people in the United States have died from a drug overdose since 1999,[1] with opioids currently driving the majority of overdose deaths.[2] Yet, most people in the U.S. with a substance use disorder (SUD) do not receive any treatment and few with opioid use disorder receive medications that are considered the gold standard of care.[3,4]
- People with SUD frequently experience barriers to care, with certain communities of color far more likely to be affected by treatment barriers with too often fatal consequences.[5,6,7,8,9]
- To reverse this deadly trajectory and address inequities, states must strengthen their SUD treatment systems through sustainable financing strategies that increase access to evidence-based services.
- A report from the Center for Health Care Strategies, developed through a partnership with The Pew Charitable Trusts and support from Bloomberg Philanthropies, outlines 10 key financing principles to guide states in strengthening robust SUD treatment services. It details practical opportunities to advance each principle, including a review of barriers, adoption strategies, state examples, and potential policy actions.

LEARN MORE

To read the full report, visit: www.chcs.org/state-principles-for-financing-sud-care.

Strengthening substance use disorder (SUD) treatment systems requires strategic state investments to increase access to evidence-based SUD services and address inequities. This includes accounting for the different needs of people with SUD along a continuum of care — including prevention, early intervention, treatment, and recovery supports, as well as harm reduction services.

Over the last 50 years, strategies to address SUD have primarily focused on criminalizing substance use, instead of public health approaches.[10,11] This failed "war on drugs" disproportionately targeted communities of color and under-resourced communities, contributing to negative societal perceptions of people with SUD.[12,13] Although this legacy of discrimination and stigma persists, there is now a broader understanding that SUD is a chronic, treatable medical disease.[14] In addition, the evidence base for effective treatments is growing.

In the last decade, there have been dramatically more opportunities for states to use public funds to improve SUD treatment. The most prominent is the Affordable Care Act (ACA), which enabled many states to expand eligibility for Medicaid to more beneficiaries, a group disproportionately affected by SUD. Other funding sources include the Substance Abuse and Mental Health Services Administration State Opioid Response grants; Substance Use Prevention, Treatment, and Recovery Services block grants; and in the coming decade, billions of dollars from opioid-related settlements. With these varied funding streams, it is critical that states leverage investments in the most coordinated, impactful, and sustainable way.

State Guidance for SUD Investments. With support from The Pew Charitable Trusts, the Center for Health Care Strategies (CHCS) refined a set of 10 key financing principles to guide states in strengthening the long-term availability of robust SUD treatment and recovery services. The principles were shaped through a consensus-building process including stakeholders with expertise in SUD financing, research and policy experts, providers, state officials, and people with lived experience accessing the treatment system.

The principles are summarized below. View the **full report** for concrete opportunities for state policymakers — including legislators, governors, Medicaid agencies, substance use agencies, and others — to advance each principle, including a review of barriers, opportunities for adoption, state examples, and potential policy actions.

State Financing Principles for Substance Use Disorder Services

1. **Use Medicaid funds strategically to expand and sustain access to evidence-based substance use prevention, treatment, and recovery support services.** Given the expanded coverage requirements for SUD benefits under the ACA and the Mental Health Parity and Addiction Equity Act, states have new opportunities to leverage Medicaid to increase the availability of quality SUD prevention, treatment, and recovery support services.
2. **Direct flexible federal funds — to the fullest extent allowable — toward boosting infrastructure, prevention, harm reduction, and recovery support services.** Since Medicaid funds can support direct treatment services for eligible populations, states can use other federal funds to promote: (1) infrastructure (e.g., workforce development, IT upgrades, billing/claims support, mobile services equipment, bricks and mortar); (2) prevention (including addressing social determinants); (3) harm reduction services; and (4) recovery support services, not otherwise covered by Medicaid.
3. **Conduct an inclusive decision-making process for allocating opioid settlement funds and prioritize funds for investments in services and infrastructure needs not covered by Medicaid and other existing state/federal funding streams.** Since these funds are the outcome of historic lawsuits against opioid manufacturers, distributors, and retailers, states should identify how to give a diverse group of people with lived experience in recovery and people who use drugs decision-making capacity along with other subject matter experts who understand how to best address the service needs of the most impacted communities.
4. **Incentivize and sustain "no wrong door" approaches to substance use care, treatment, and support services.** States can create entryways to substance use treatment and recovery support services through existing medical and behavioral health practices and explore possibilities for outreach and engagement activities in community-based settings, such as community-based organizations, homeless shelters, mobile units, syringe service programs, correctional settings, etc.
5. **Ensure patients are placed in the most appropriate level of care, including non-residential, community-based substance use treatment and recovery support services.** Factors including homelessness and criminal-legal system involvement have created an overreliance on residential treatment. States can use funds to expand access to community-based care, treatment, and support services so these options are available to patients, as needed.
6. **Address substance use treatment disparities for historically marginalized groups and communities.** Barriers that impact service accessibility, under-resourced community-based providers, and a lack of a culturally competent health care workforce contribute to these disparities, particularly among Black, Latino, and Indigenous populations. States can leverage statutory, regulatory, and payment requirements and incentives to promote quality services in these communities.
7. **Advance equitable access and outcomes for substance use care, treatment, and recovery support services among populations with multiple system involvement.** People with SUD are disproportionately involved in multiple social service sectors (e.g., housing/homelessness, child welfare systems, mental health) and the

criminal legal system, with people of color particularly affected more punitively by those systems. This population often faces challenges in accessing treatment. States can promote policies to increase access to quality behavioral health care services for these populations.

8. **Use data to drive effective, equitable care and outcomes.** States can use a variety of strategies to leverage local, state, and federal data — as well as patient-reported outcome measures — to make informed decisions about their SUD treatment system.
9. **Require specialty substance use treatment providers to offer evidence-based treatments, particularly MOUD.** States can use policy levers to require specialty SUD providers to offer evidence-based treatment, including MOUD. States can offer technical assistance and other on-ramping supports to providers to facilitate MOUD expansion efforts.
10. **Bolster the substance use prevention, treatment, and recovery support service network for children and youth.** Because early substance use correlates to substance use problems later in life, and parent/family experience of an SUD can lead to poor outcomes for the child, promoting access to and strengthening substance use treatment services for children and youth is critical.

Taking Action

Despite increased opportunities for states to leverage public funds for SUD treatment in the last decade — including opportunities through Medicaid, flexible federal funds, and opioid settlement funds — there remains a need for states to direct these dollars more strategically to increase access to evidence-based treatment services and address inequities. State policymakers can align these principles for financing substance use care, treatment, and support services to the unique context of their states and work to advance policy actions to ensure that millions of people — particularly those from under-resourced communities and certain racial groups — have access to the SUD care they need.

ABOUT THE CENTER FOR HEALTH CARE STRATEGIES

The Center for Health Care Strategies (CHCS) is a policy design and implementation partner devoted to improving outcomes for people enrolled in Medicaid. CHCS supports partners across sectors and disciplines to make more effective, efficient, and equitable care possible for millions of people across the nation. For more information, visit **www.chcs.org**.

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ENDNOTES

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