Medicaid expansion under the Affordable Care Act (ACA) has significantly increased health coverage and access to treatment for people with substance use disorders (SUDs). By itself, having a substance use disorder isn’t considered a disabling condition, so before the ACA expanded Medicaid, low-income adults with SUDs typically didn’t qualify unless they also had a physical or mental health disability. Now, adults with incomes below 138 percent of the poverty line can enroll regardless of disability, opening the door to coverage for far more adults with SUDs. In states that expanded Medicaid, the number of people hospitalized with a SUD who did not have health insurance decreased from about 20 percent in 2013 — before the ACA’s major coverage expansions — to 5 percent in 2015. And a growing number of states are using Medicaid to improve the capacity of substance use service providers to deliver comprehensive care.

Now, however, the Trump Administration is allowing states to take away Medicaid coverage from people who don’t document that they work a certain number of hours each month. Work requirements threaten to roll back states’ progress under Medicaid expansion in improving access to treatment services for people with substance use disorders.

The Administration is allowing states to impose work requirements on adult Medicaid enrollees other than those who are 65 or older, pregnant, or qualify because they receive disability benefits through the Supplemental Security Income program. In Arkansas, the first state to implement such a policy, over 18,000 Medicaid beneficiaries lost coverage in 2018 due to the new requirements. While a federal court has since halted Arkansas’ policy, the Administration is continuing to approve similar policies in other states. Most of these policies require enrollees to document that they work or engage in other work activities (e.g., job training or volunteer work) for at least 80 hours per month, unless they prove that they qualify for limited exemptions.

The Administration’s policy requires states to exempt people deemed “medically frail” and recommends exempting those with an acute medical condition that keeps them from working. These exemptions have created the false impression that people with SUDs will not be subject to work requirements. In reality, the definition of medically frail does not include all people with SUDs, and many who qualify for an exemption won’t be able to prove it due to bureaucratic obstacles.

### Exemptions Leave Out Many People With SUDs

One problem is that many people with SUDs won’t be eligible for exemptions. By definition, the “medically frail” exemption includes people with “chronic” SUDs, but that suggests people must have had multiple episodes of substance use or that their illness must have persisted for a long time. Many people with SUDs will not meet this standard.

The Administration’s policy acknowledges that many people with SUDs will have to meet the new work requirements and directs states to identify reasonable accommodations to help them comply. It lists the examples of allowing time spent in “medical treatment” to count toward the hours needed to fulfill the work requirement and exempting participants in inpatient or intensive outpatient SUD treatment. In some policies that the Administration has approved, such as Michigan’s and New Hampshire’s, qualifying SUD treatment would count toward an enrollee’s monthly hours requirement, while in others, such as Indiana’s and Wisconsin’s, people in qualifying SUD treatment programs would be exempt from work requirements.

But these accommodations fall short. First, there’s no guarantee that everyone needing treatment will get it. In 2018, nearly 16 percent of all unemployed U.S. adults had a substance use disorder but only 4 percent got any treatment, the National Survey on Drug Use and Health estimated. Overall, of the estimated 21 million people who needed treatment in 2018, only 2 million got specialty SUD treatment.

Second, for those receiving treatment, their particular treatment may not count toward or suffice to meet the work requirement. For instance, it’s not clear which medical treatments would count toward the monthly hours requirement in New Hampshire or exempt a beneficiary from the work requirement in Indiana and Wisconsin. While a narrow range of treatment options will likely qualify (such as inpatient care or care at a mental health clinic), several evidence-based behavioral health services delivered in the home or other informal setting may not. For example, assertive community
treatment brings together a multi-disciplinary team of professionals to help clients, specifically those with complex conditions, adhere to individualized treatment plans outside of a facility. Other services such as peer recovery supports, where clients are paired with someone with similar experiences, and self-help groups such as Alcoholics Anonymous, are also unlikely to be included.

Those who do get qualifying (likely inpatient) care may need further care upon leaving, and finding a job may take time. To maintain their recovery and stability, people often need medically assisted treatment (which combines therapy with medication that blocks opioids’ effects on the brain), peer recovery supports, physical health care to address side effects of prior use, and other services such as mental health counseling. But under Michigan’s work requirement, for example, people could lose access to all of these services unless they find a job after exiting a treatment program.

**Burden of Proving Exemptions and Barriers to Employment Will Cause People to Lose Coverage**

To prove they are exempt or receiving qualifying treatment, people with SUDs will need to obtain letters from their health care providers, medical records, or other documentation a state deems necessary. Red tape and paperwork requirements have been shown to reduce enrollment in Medicaid across the board, and people coping with substance use disorders are more likely to face difficulties proving that they are medically frail or are entitled to reasonable modifications.

Moreover, people with SUDs often have significant privacy concerns and may not trust Medicaid eligibility staff with information about their current or past substance use. People may fear criminal ramifications if the substance they are using is illegal or was obtained illegally. When weighing what it takes to qualify for Medicaid against the possible consequences of disclosing their SUD, some people may forgo coverage, putting their treatment and stability at risk.

People with SUDs often require support services to overcome barriers to employment. The Administration’s policy recognizes this by requiring that states provide “reasonable modifications,” including “provision of support services necessary to participate [in work or community engagements], where participation is possible with supports,” in order to adhere to the Americans with Disabilities Act and other legislation protecting people with disabilities. But the policy doesn’t require states to devote resources to these supports, and it states that federal Medicaid funding cannot help pay for them. Without additional funding, budget-strapped states likely won’t adequately implement this requirement, limiting employment opportunities for people with SUDs and making it more likely they will be unable to comply.

**Losing Coverage Will Worsen Access to Treatment, Lead to Poor Outcomes**

The Administration tries to justify Medicaid work requirements largely by citing research showing that people with jobs have better health and higher incomes than people without jobs. But that research doesn’t show that employment actually causes improved health. A SUD diagnosis is based partly on whether the person’s substance use results in an inability to meet major responsibilities at work, school, or home. Cutting off people’s coverage because they can’t meet a work requirement will make it impossible for many people with SUDs to address their illness. This is partly why groups like the Legal Action Center, the National Council for Behavioral Health, and the American Psychiatric Association oppose Medicaid work requirements.

Many people with SUDs relapse several times and go in and out of the workforce. In states with work requirements, a relapse and loss of employment would likely lead a person to lose Medicaid and the ability to pay for treatment, unless she knew that an exemption might be available and could obtain it (which would be hard for someone who has relapsed). Work requirements will be especially harsh for people with SUDs exiting jails and prisons. Lack of health coverage could delay or prevent treatment in the community, jeopardizing a person’s recovery and ability to stay out of jail or prison.

Finally, people with SUDs often initially seek health care for physical health conditions and the side effects of addiction disorders. Without health insurance, people may delay treatment both for their physical health conditions and for SUDs, leading not only to untreated SUDs but other poor health outcomes (such as liver disease or brain damage) or even death.

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For a version of this fact sheet with links to sources, see [https://www.cbpp.org/research/health/harm-to-people-with-substance-use-disorders-from-taking-away-medicaid-for-not](https://www.cbpp.org/research/health/harm-to-people-with-substance-use-disorders-from-taking-away-medicaid-for-not)