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Medicaid and Federal Grant Funding Can Improve Treatment and Housing Options for People With Substance Use Disorders

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People with substance use disorders (SUDs) need access to treatment services, and many need help with finding, paying for, and maintaining housing to successfully manage their recovery. To meet those needs, substance use disorder service providers need stable funding that responds adequately to demand. As Congress considers ways to address the opioid epidemic, it should embrace proposals that would maximize Medicaid's coverage of SUD services and supports and leverage grant funding for housing assistance for people transitioning out of treatment, while rejecting a House proposal to divert oversubscribed housing aid for families with low incomes.

Medicaid can cover many of the treatment and recovery services people need. Before the Affordable Care Act (ACA) gave states the option to expand Medicaid, many low-income adults were not eligible for Medicaid because they did not meet strict disability criteria or were not 65 or older, pregnant, or caring for a child in their home. The ACA's expansion of Medicaid to more low-income adults has dramatically expanded coverage and access to treatment for people with SUDs.

But Medicaid coverage isn't enough, because people with SUDs also need safe, stable housing. The type of housing people need varies based on where they are in their recovery. Some people with SUDs, such as those experiencing chronic homelessness, need housing paired with service supports that include harm reduction strategies, while others may choose a sober community or other recovery housing or simply need housing assistance to make independent, community-based housing affordable.

While the current proposals before Congress don't make comprehensive changes to the substance use service system, several that have passed the House would take small but positive steps in maximizing Medicaid's coverage of the full continuum of evidence-based services and other supports. For example, one proposal passed by the House could boost access to substance use services by helping states bring more providers into their Medicaid networks.[1]

[1] Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act, H.R. 6, §103, 115th Cong. (2018), https://www.congress.gov/115/bills/hr6/BILLS-115hr6ih.pdf.

Unfortunately, the House approach to addressing the housing needs of people with SUDs moves in the wrong direction. A House-passed bill would take 10,000 Housing Choice Vouchers (HCVs) away from low-income families to pay for recovery housing. While recovery housing is a key service, it's counterproductive to divert rental assistance to pay for it, as 3 in 4 households that are eligible for federal rental assistance don't receive it due to lack of funding.

Moreover, the HCV program is a bad fit as a funding source for recovery housing. Recovery housing is a transitional housing model that typically requires residents to engage in recovery support services. The HCV program works because families can continue to receive help paying the rent for as long as they need it and program rules typically don't require participation in services. Plus, most recovery housing providers don't have the experience necessary to properly administer HCVs. Policymakers could better expand recovery housing by adding grant funding to other existing programs, like the Community Development Block Grant.

Maximizing Medicaid to Pay for SUD Services

Every individual with a substance use disorder has a unique set of challenges, and evidence shows that the most successful service providers work with clients to create individualized recovery plans that provide access to a wide array of services that meet people's specific needs, either directly or through partnerships.[2] Recognizing that Medicaid can pay for most of the services that people with SUDs need, states are expanding the range of treatment and recovery support services they include in their Medicaid plans. Twelve states now pay for a full continuum of clinical services, such as early intervention, detoxification, outpatient care, inpatient residential treatment, and medication-assisted treatment services, and 12 more have submitted service expansion proposals to the Centers for Medicare & Medicaid Services.[3]

Maximizing Medicaid coverage to finance a wider array of treatment and recovery services offers an opportunity to rethink the use of grant funding. If Medicaid pays for clinical treatment services, grant funding can be targeted to pay for recovery services that Medicaid doesn't cover, such as job skills training, life skills counseling, child care, and housing.[4]

Increased Provider Capacity Needed to Maximize Medicaid's Role

As noted, several bills the House has passed would strengthen Medicaid coverage and help expand provider capacity to help people with SUDs. These proposals would enhance substance use care in three ways: by improving Medicaid provider capacity; by broadening the scope of services

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[2] Maria Paino, Lydia Aletraris, and Paul Roman, "The Relationship Between Client Characteristics and Wraparound Services in Substance Use Disorder Treatment Centers," *Journal of Studies on Alcohol and Drugs,* Vol. 77, Issue 1, https://www.jsad.com/doi/pdf/10.15288/jsad.2016.77.160.

[3] Medicaid and CHIP Payment and Access Commission, "Report to Congress on Medicaid and CHIP, Chapter 4: Access to Substance Use Disorder Treatment in Medicaid," June 2018, https://www.macpac.gov/publication/access-to-substance-use-disorder-treatment-in-medicaid/.

[4] Peggy Bailey, "Better Integration of Medicaid and Federal Grant Funding Would Improve Outcomes for People with Substance Use Disorders," Center on Budget and Policy Priorities, April 9, 2018, https://www.cbpp.org/research/health/better-integration-of-medicaid-and-federal-grant-funding-would-improve-outcomes-for.

that states cover in Medicaid and improving coordination of care for Medicaid enrollees with SUDs; and by reducing unnecessary gaps in Medicaid coverage.[5]

The most significant of these proposals would provide funding for up to ten state Medicaid programs to develop plans to add new substance use service providers and increase current providers' capacity. Medicaid agencies could use these funds to develop and implement plans that assess current provider capacity, identify gaps in treatment, and develop strategies to increase provider capacity through recruitment, education, improving reimbursement rates, training, and technical assistance. After 18 months, five state Medicaid programs would receive additional resources to implement their plans. While states have recognized the need to engage providers, few have dedicated resources to do it.[6]

The funding would also help providers adopt new data systems, quality assurance measures, and evaluation procedures that ensure better care and are required for certification as a Medicaid provider. These improvements would help substance use service providers coordinate and share data with mental and physical health providers who are treating the same patients.[7]

Many People With SUDs Also Need Stable Housing

Medicaid coverage and better access to services aren't enough for people who lack a stable place to live to successfully address their SUDs. An inability to pay rent and the threat of losing housing can lead to stress that triggers substance misuse and relapse.[8] People experiencing homelessness who also have SUDs typically find it difficult to get well without a safe place to live, because they often use alcohol or drugs to cope with the dangers of life on the streets.[9]

People with substance use disorders face unique barriers in obtaining federal housing assistance. Federal law imposes time-limited bans against living in HUD-assisted housing for people who are evicted for certain drug-related activities. Federal policies also allow housing agencies to prohibit from receiving assistance people who have histories of past drug use or are considered at risk of engaging in illegal drug use.[10]

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[5] For more information on these bills, see Anna Bailey *et al.*, "Assessing the House Opioid Package's Medicaid Bills," Center on Budget and Policy Priorities, July 9, 2018, https://www.cbpp.org/research/health/assessing-the-house-opioid-packages-medicaid-bills.

[6] Amanda J. Abraham *et al.*, "Geographic Disparities in Availability of Opioid Use Disorder Treatment for Medicaid Enrollees," *Health Services Research,* Vol. 53, Issue 1, February 2018, https://onlinelibrary.wiley.com/doi/abs/10.1111/1475-6773.12686.

[7] Office of the Assistance Secretary for Planning and Evaluation, "Examining Substance Use Disorder Treatment Demand and Provider Capacity in a Changing Health Care System: Initial Findings Report," U.S. Department of Health and Human Services Office of Disability, Aging and Long-Term Care Policy, September 2015, https://aspe.hhs.gov/system/files/pdf/203761/ExamSUD.pdf.

[8] Rajita Sinha, "Chronic Stress, Drug Use, and Vulnerability to Addiction," *Annals of the New York Academy of Sciences,* July 2018, https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2732004/.

[9] Timothy Johnson, "Homelessness and Drug Use," *American Journal of Preventive Medicine*, Vol. 32, Issue 6, June 2007, https://www.ajpmonline.org/article/S0749-3797(07)00104-3/pdf.

[10] National Housing Law Project, *HUD Housing Programs: Tenants' Rights (4th Edition)*, 2012, https://web.archive.org/web/20170824131126/http:/nhlp.org/2012greenbook.

There are several ways to address the housing needs of people with SUDs, including supportive housing, transitional housing (often called recovery housing), and rental assistance provided after inpatient treatment or during recovery.[11]

Supportive housing combines affordable housing with intensive coordinated services to help people with chronic physical and behavioral health issues maintain stable housing and receive appropriate health and social supports. Typically, people are served using a "housing-first" strategy that doesn't require compliance with recovery services to receive assistance.[12] Recovery housing is typically set in sober living communities, where all residents share the goal of sobriety and which help people obtain both outpatient and onsite services and counseling. Post-treatment rental assistance can give people the financial support they need to live independently and maintain their recovery in housing of their choice.

A House-passed bill would fund recovery housing programs by taking 10,000 housing vouchers from the already under-resourced Housing Choice Voucher program.[13] Unfortunately, this is a step in the wrong direction. Families, people experiencing homelessness, seniors, and people with disabilities already face challenges accessing vouchers due to long waitlists and scarce resources; this would further strain those resources. Moreover, recovery housing, which is short-term and requires residents to remain sober, is a bad fit for the HCV program, in which beneficiaries receive help paying the rent for as long as they need assistance, without requirements to participate in services. Finally, rules regarding HCV administration ensure that residents live in decent quality housing. Recovery housing providers don't have the experience with the HCV program they'd need to follow HUD regulations, which could put resident safety and stability at risk.

The Senate should take a different approach. Instead of diverting much-needed vouchers from low-income families and people with disabilities, lawmakers could build on proposed legislation sponsored by Senate Majority Leader Mitch McConnell and Representative Andy Barr that would add $25 million a year for five years to the Community Development Block Grant (CDBG) for housing assistance for people transitioning out of substance use treatment.[14] These funds would go to states or communities facing the highest drug-related death rates, with a preference for those with high rates of opioid misuse.

To increase recovery housing, as the House bill seeks to do, the Senate could add an additional $25 million a year for five years through the CDBG program to help communities better meet the needs of people with SUDs for both recovery and independent housing. With this funding, communities could make progress in comprehensively meeting the medical and housing needs of people recovering from substance use disorders.

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[11] Neil Greene, "Affording Housing Models and Recovery," Substance Abuse and Mental Health Services Administration, April 19, 2016, https://www.samhsa.gov/homelessness-programs-resources/hpr-resources/affording-housing-models-recovery; American Society of Addiction Medicine, "What are the ASAM Levels of Care?" May 2015, https://www.asamcontinuum.org/knowledgebase/what-are-the-asam-levels-of-care/.

[12] Ehren Dohler *et al.*, "Supportive Housing Helps People Live and Thrive in the Community," Center on Budget and Policy Priorities, May 31, 2016, https://www.cbpp.org/research/housing/supportive-housing-helps-vulnerable-people-live-and-thrive-in-the-community.

[13] 115th Congress, H.R. 5735, June 2018, https://www.congress.gov/115/bills/hr5735/BILLS-115hr5735rfs.pdf.

[14] 115th Congress, S.2730, April 2018, https://www.congress.gov/115/bills/s2730/BILLS-115s2730is.pdf.