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March 31, 2025

The Honorable John Thune  
Majority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Mike Johnson  
Speaker  
U.S. House of Representatives  
Washington, 20515

The Honorable Mike Crapo  
Chairman  
Senate Finance Committee  
U.S. Senate  
Washington, DC 20510

The Honorable Brett Guthrie  
Chairman  
Committee on Energy and Commerce  
U.S. House of Representatives  
Washington, 20515

**Re: Medicaid Expansion: Our Secret Weapon Against the Drug Cartels**

Dear Majority Leader Thune, Speaker Johnson, Chairman Crapo and Chairman Guthrie:

On behalf of the American Society of Addiction Medicine (ASAM), a national medical specialty society representing more than 8,000 physicians and associated health professionals who specialize in the prevention and treatment of addiction, **I urge you to keep fighting the drug cartels by protecting Medicaid Expansion for Americans battling addiction - a treatable, chronic medical disease.**

In 2017, President Trump declared the opioid crisis a public health emergency. That public health emergency is still in effect today, having been recently renewed by Health and Human Services (HHS) Secretary Robert F. Kennedy Jr.<sup>1</sup> Eight years later, drug overdose deaths, fueled by illicit, high-potency synthetic drugs like fentanyl, continue to devastate our country. To save lives and create healthier communities, the 119<sup>th</sup> Congress and the White House have signaled eagerness in crushing the drug cartels and cutting off the flow of highly addictive and deadly illicit fentanyl into America. **Yet simultaneously, there are proposals floating in Congress that would undermine one of our most effective weapons against the drug cartels and the illicit synthetic drugs they traffic – Medicaid Expansion for Americans with substance use disorders (SUD) who earn up to 138% of the federal poverty level.**

**Medicaid Expansion is a lifeline for many Americans on their path of recovery and simultaneously undermines the drug cartels' business model by decreasing demand for illicit drugs.** It increases the likelihood of beneficiaries entering addiction treatment.<sup>2</sup> **In 2021, nearly one million Medicaid beneficiaries who received treatment for opioid use disorder were eligible for coverage due to Medicaid Expansion.**<sup>3</sup> Among the privately insured, however, patients' out-of-pocket costs can *reduce* addiction treatment initiation, retention, and adherence.<sup>4,5</sup>

Despite the vital role Medicaid Expansion plays in treating addiction and undercutting the influence of drug cartels, it has become a potential target in Congress' quest for cost savings. Specifically, some have portrayed Medicaid Expansion's funding formula as a bastardization of the program's original charge, which has been to serve those with disabilities, low-income children, and other populations in need. **However, ASAM urges you to view this funding formula to help Americans with SUD - who earn up to 138% of the federal poverty level - as a proper and wise use of Medicaid dollars, especially since some states are otherwise unlikely to provide the same Medicaid coverage for able-bodied, working-age adults with SUD.**

For example, according to Paragon Health Institute's own estimates, under its proposals to reduce Medicaid's federal reimbursement, "current non-expansion states would not expand their programs under our proposals" and "about a quarter of people living in current expansion states would live in a state that pulls back its expansion."<sup>6</sup> Yet, reducing federal support for Medicaid for this high-risk population could mean expanding the drug cartels' customer base, more uninsured hospitalizations,<sup>7</sup> weakening the nation, and making the nation less safe – adversely affecting thousands of families and communities,<sup>8</sup> including the original Medicaid population. It could also compromise the effectiveness of, and lead to increased inefficient spending in, our healthcare system.<sup>9,10</sup>

#### **And the drug cartels stand ready to profit.**

Work requirements have also been proposed as a cost-cutting measure but making healthcare coverage contingent on work could put Americans suffering from SUD in a horrible catch-22. Employment or community engagement would become prerequisites for Medicaid eligibility for many, but SUD treatment, including long-term remission monitoring, is fundamental to health and to the ability of Americans to maintain a job or to volunteer. **Evidence-based treatment and incentives for more employers to provide health insurance - with SUD and mental health benefits for all their employees - not more bureaucratic hurdles and paperwork,<sup>11,12</sup> are the solution.**

If Congress is serious about fighting the drug cartels, then it must not weaken one of the greatest tools we have to defund them. Any limitations on Medicaid Expansion for Americans with SUD threaten to undo the progress made in the fight against the overdose epidemic. Just weeks ago, the CDC reported an astounding, nearly 24% drop in overdose deaths.<sup>13</sup> If America continues this positive trend, then it would not be unrealistic to think that President Trump could end the opioid public health emergency before his term ends. **Thus, in lieu of attempts to fundamentally alter federal Medicaid financing for this population, impose work requirements on Medicaid beneficiaries with SUD, or reduce current ACA subsidies available to Americans with SUD,**

Congress should take steps to address improper payments and fraud, waste, and abuse found in Medicaid (and Medicare), *as those terms are traditionally understood*,<sup>14</sup> and consider other policies like (1) limiting employers' eligibility for additional tax cuts unless they provide lower-wage employees with health insurance equivalent to Medicaid Expansion benefits and (2) taking additional steps to prevent any manipulation of Medical Loss Ratios (MLR) by Medicaid Managed Care Organizations, including improved oversight of vertically integrated insurers.<sup>15</sup>

In short, please do not grow complacent and start to undermine Medicaid Expansion on the backs of Americans with SUD who earn lower wages. Medicaid Expansion for them is our nation's secret weapon against the drug cartels and for building stronger communities across America.

Thank you for considering our concerns. If you have any questions about this letter or wish to discuss this matter further, then please contact Kelly Corredor, ASAM's Chief Advocacy Officer, at [kcorredor@ASAM.org](mailto:kcorredor@ASAM.org).

Sincerely,



Brian Hurley, MD, MBA, FAPA, DFASAM  
President, American Society of Addiction Medicine

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<sup>1</sup> Secretary Kennedy Renews Public Health Emergency Declaration to Address National Opioid Crisis. HHS.gov. Published March 18, 2025. <https://www.hhs.gov/about/news/secretary-kennedy-opioid-crisis-emergency-declaration.html>

<sup>2</sup> Saloner B, Maclean JC. Specialty Substance Use Disorder Treatment Admissions Steadily Increased In The Four Years After Medicaid Expansion. *Health Aff (Millwood)*. 2020 Mar;39(3):453-461. doi: 10.1377/hlthaff.2019.01428. PMID: 32119615; PMCID: PMC7853763.

<sup>3</sup> Frank RG. The role of Medicaid in addressing the opioid epidemic. Brookings. Published February 25, 2025. <https://www.brookings.edu/articles/the-role-of-medicaid-in-addressing-the-opioid-epidemic/>

<sup>4</sup> Dunphy C, Peterson C, Zhang K, Jones CM. Do out-of-pocket costs influence retention and adherence to medications for opioid use disorder?. *Drug Alcohol Depend*. 2021;225:108784. doi:10.1016/j.drugalcdep.2021.108784

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<sup>6</sup> Blase B, Gonshorowski D, Blase B. Medicaid Financing Reform: Stopping Discrimination Against the Most Vulnerable and Reducing Bias Favoring Wealthy States. Paragon Health Institute. Published July 24, 2024. <https://paragoninstitute.org/medicaid/medicaid-financing-reform-stopping-discrimination-against-the-most-vulnerable-and-reducing-bias-favoring-wealthy-states/>

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- <sup>7</sup> Medicaid Expansion Dramatically Increased Coverage for People with Opioid-Use Disorders, Latest Data Show. Center on Budget and Policy Priorities. Published February 27, 2018.  
<https://www.cbpp.org/research/health/medicaid-expansion-dramatically-increased-coverage-for-people-with-opioid-use>
- <sup>8</sup> Athey A, Kilmer B, Cerel J. An Overlooked Emergency: More Than One in Eight US Adults Have Had Their Lives Disrupted by Drug Overdose Deaths. Rand.org. Published March 6, 2024. Accessed March 20, 2025.  
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<http://pmc.ncbi.nlm.nih.gov/articles/PMC2690254>
- <sup>10</sup> Fardone E, Montoya ID, Schackman BR, McCollister KE. Economic benefits of substance use disorder treatment: A systematic literature review of economic evaluation studies from 2003 to 2021. *J Subst Use Addict Treat.* 2023 Sep;152:209084. doi: 10.1016/j.josat.2023.209084. Epub 2023 Jun 9. PMID: 37302488; PMCID: PMC10530001. <http://pmc.ncbi.nlm.nih.gov/articles/37302488>
- <sup>11</sup> Congressional Budget Office, “CBO’s Estimate of the Budgetary Effects of Medicaid Work Requirements Under H.R. 2811, the Limit, Save, Grow Act of 2023,” April 26, 2023, <https://www.cbo.gov/publication/59109>.
- <sup>12</sup> Lukens G. Medicaid Work Requirements Could Put 36 Million People at Risk of Losing Health Coverage | Center on Budget and Policy Priorities. Center on Budget and Policy Priorities. Published January 16, 2025. Accessed March 22, 2025. <https://www.cbpp.org/research/health/medicaid-work-requirements-could-put-36-million-people-at-risk-of-losing-health#:~:text=Medicaid%20work%20requirements%20do%20not,incomes%20%E2%80%94%20most%20of%20whom%20are>
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<https://www.kff.org/medicaid/issue-brief/5-key-facts-about-medicaid-program-integrity-fraud-waste-abuse-and-improper-payments/>
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