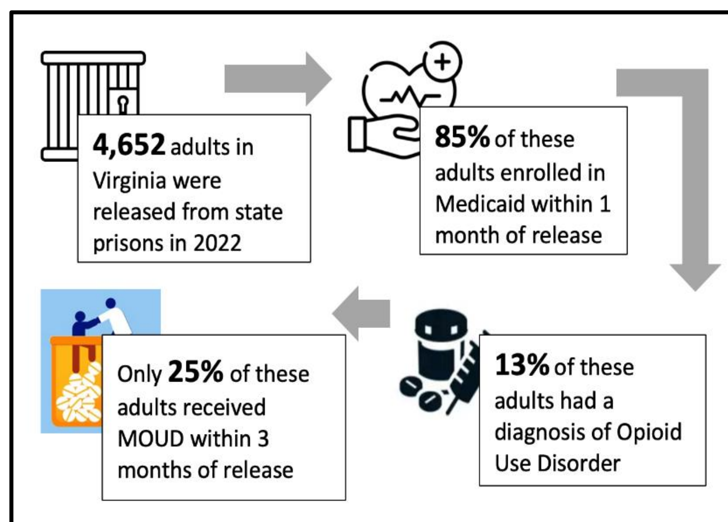
Prevalence of Substance Use Disorders Among Formerly Incarcerated Adults Who Enroll in Virginia Medicaid

VCU School of Population Health

Overview:

As many as 85% of individuals who are incarcerated nationally have substance use disorders (SUD), although fewer than 5% receive evidence-based treatment.[1] While individuals who are incarcerated can apply for Medicaid coverage at any time, the "inmate payment exclusion" means that most covered benefits – including for SUD treatment services – are unavailable to them until after their release. Incarcerated individuals can however apply for Medicaid coverage up to 45 days before their expected release date for coverage post-release through the Cover Virginia Incarcerated Unit (CVIU) program, as mandated by the Virginia General Assembly. In 2019, Virginia expanded Medicaid, greatly increasing the number of individuals who are eligible through the CVIU mechanism. Many individuals who were previously incarcerated and enroll in Medicaid need SUD treatment services. Using Department of Corrections data linked to Virginia Medicaid claims, this policy brief examines SUD prevalence among Virginia Medicaid enrollees who were formerly incarcerated and discusses policy options for treating carceral populations for SUD prior to their release.

Most Virginians Released from Incarceration Enroll in Medicaid, which Covers Evidence-based Substance Use Disorder Treatment.



Findings:

Among the 4,652 adults released from state prisons in 2022, 85% were enrolled in Virginia Medicaid within one month of release. Among these, 17% had seen health care providers and received a SUD diagnosis within three months of their release, including 13% with a diagnosis of Opioid Use Disorder (OUD). This is far lower than estimated SUD prevalence among carceral populations (85% based on national estimates).[1] Even for those who received an OUD diagnosis, only about 25% had received medications for opioid use disorder (MOUD) treatment through the Medicaid program, the evidence-based standard of care for OUD.[2] By comparison, among all Medicaid members with OUD in State Fiscal Year 2021, 78% received MOUD treatment (findings not shown).[3] The findings do not include treatment funded through other sources that previously incarcerated individuals may be receiving.

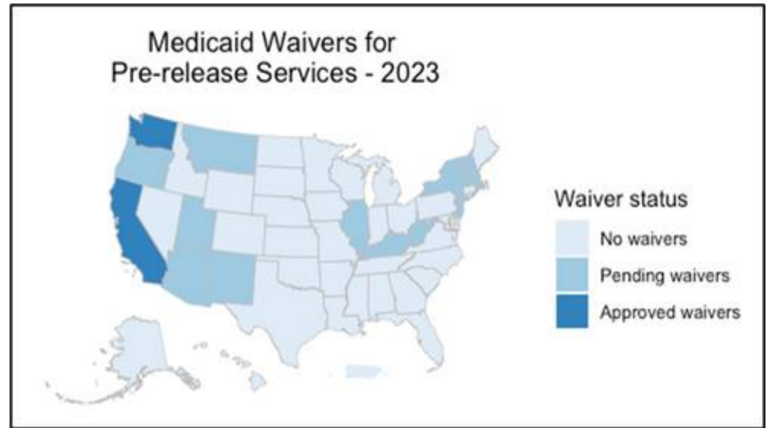
Policy Implications:

Diagnosing and initiating treatment for SUD for individuals while incarcerated may improve treatment for those returning to the community, reduce the risk of overdoses, improve other health outcomes, and reduce recidivism.[1] Currently, the federal government's "inmate payment exclusion" only allows for the use of federal Medicaid funds for individuals who are incarcerated for inpatient care lasting at least 24 hours.[4] Additionally, Medicaid-eligible adults leaving incarceration may also encounter difficulties activating and using Medicaid benefits due to the lack of post-release care coordination between providers. However, there are several new policy options for states hoping to improve health and well-being for Medicaid-eligible adults, especially those recently released from prison who need SUD treatment.

Recent changes to federal policy offer the potential to close the gap in SUD treatment for individuals who are incarcerated and for those leaving incarceration. In 2018, the Substance Use Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act directed the Department of Health and Human Services (HHS) to improve care transitions for individuals leaving incarceration. As a result of lessons learned from states that participated in the SUPPORT Act, including Virginia, the Centers for Medicare and Medicaid Services (CMS)

Policy Implications (cont.)

released guidance to states on utilizing state and federal Medicaid funding within prison facilities. In April 2023, CMS outlined policies to allow state Medicaid programs to provide pre-release healthcare services to Medicaid-eligible individuals, improve continuity of care upon release, and enhance care coordination between prison facilities and healthcare providers.[5] These opportunities fall under the umbrella of a Section 1115 waiver, which can be used by states seeking to make changes to their Medicaid programs that augment federal benefit requirements. Two states, California and Washington have approved waivers as shown to the right. California has utilized a Section 1115 waiver to provide Medicaid services to individuals who are incarcerated up to 90 days prior to release. Preliminary estimates indicate that approximately 200,000 people each year will become eligible for pre-release Medicaid services in California.[6] Over fourteen additional states have pending waivers that would grant similar healthcare services to individuals who are incarcerated, including West Virginia and Kentucky. Although each state has its own policies and governance in relation to Section 1115 waivers, the shared objective is to improve pre-release services and maintain continuity of care upon release from prison. While states can add services to these, CMS requires states to provide Minimum Covered Services that include case management, MOUD, and 30-day supply of all prescription medications if they participate in the waiver. Financially, states are required to reinvest the total amount of federal matching received through the demonstration in the community. The demonstration pairs flexibility to adapt to the needs of each state with standards that ensure improved outcomes for community members leaving incarceration.



Similar policies could benefit the incarcerated population in Virginia. Most Virginians who are incarcerated (85%) are eligible and enroll for full Medicaid benefits upon release, helping to ensure continuity of pre-release treatment services. Justice-involved Medicaid members in Virginia are five times more likely to have an OUD-related overdose within 6 months of enrollment compared to other individuals who enroll in Medicaid.[3] Greater access to pre-release services may be lifesaving for Virginians who are justice-involved, particularly those with substance use disorders.

Previously incarcerated individuals were more likely to experience OUD-related overdose compared to other newly enrolled Virginia Medicaid members.

6X more likely to receive an Opioid Use Disorder diagnosis in Virginia

4X more likely to overdose in Virginia

(compared to other new Virginia Medicaid enrollees)

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