



Access to mental health and substance use disorder treatment

Ohio policymakers are considering discontinuation of Medicaid expansion coverage if the federal government reduces funding for this group. The change could impact approximately 770,000 Ohioans.¹

To inform the decision, HPIO is releasing **a series of briefs** that summarize data and research on the potential impact of the change. (The background section on page 8 has more information.)

This brief describes the role of Medicaid as a funder of mental health and substance use disorder services and highlights considerations for how working-age Ohioans with low incomes would access behavioral health care if expansion coverage was eliminated.

Key findings

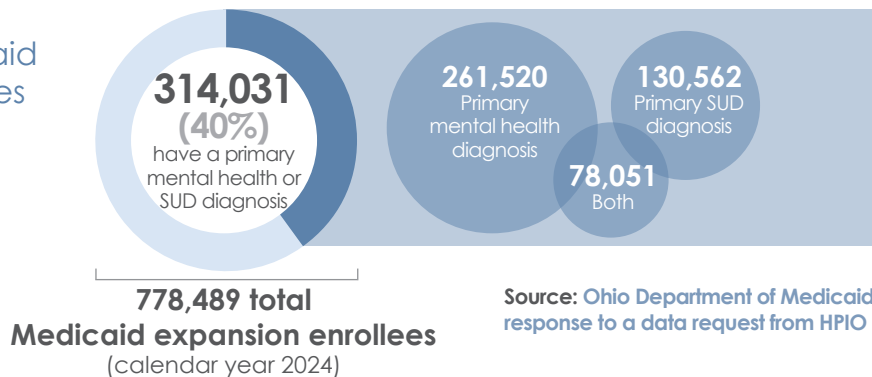
- **High demand.** Many Ohioans enrolled in Medicaid have behavioral health conditions. Forty percent of adults covered by expansion had a primary mental health and/or substance use disorder diagnosis in 2024.
- **Significant investments.** Ohio received more than \$1 billion in federal funds for community-based and hospital behavioral health services for expansion enrollees in calendar year 2024.
- **Potential risk.** If expansion was discontinued, many Ohioans would lose access to treatment. Policy priorities such as improving supports for recovery and re-entry and suicide prevention could be curtailed.

How common are behavioral health conditions among Medicaid expansion enrollees?

Behavioral health conditions are common among Ohioans, including those with Medicaid coverage. In calendar year 2024, 40% of Ohioans enrolled in Medicaid expansion had a primary mental health or substance use disorder (SUD) diagnosis (as illustrated in figure 1).

Figure 1. Behavioral health diagnoses among Ohio Medicaid expansion enrollees, CY2024

Two in five Medicaid expansion enrollees have a primary behavioral health diagnosis²



Source: Ohio Department of Medicaid response to a data request from HPIO



“As a working adult, having Medicaid is important for me because otherwise I would not be able to access most of my mental health meds or therapy or other appointments. Even though I do work, I just don’t make enough to be able to cover living expenses plus all my meds and doctors and therapist. With Medicaid I know I can get my meds and be able to get the care I need.”



— Ohio social work client

How much federal investment does Medicaid expansion bring to Ohio for behavioral health?

Medicaid spending on mental health and addiction treatment services is significant. In calendar year (CY) 2024, federal and state expenditures on the following Medicaid-covered behavioral services for the expansion population totaled \$1.1 billion:

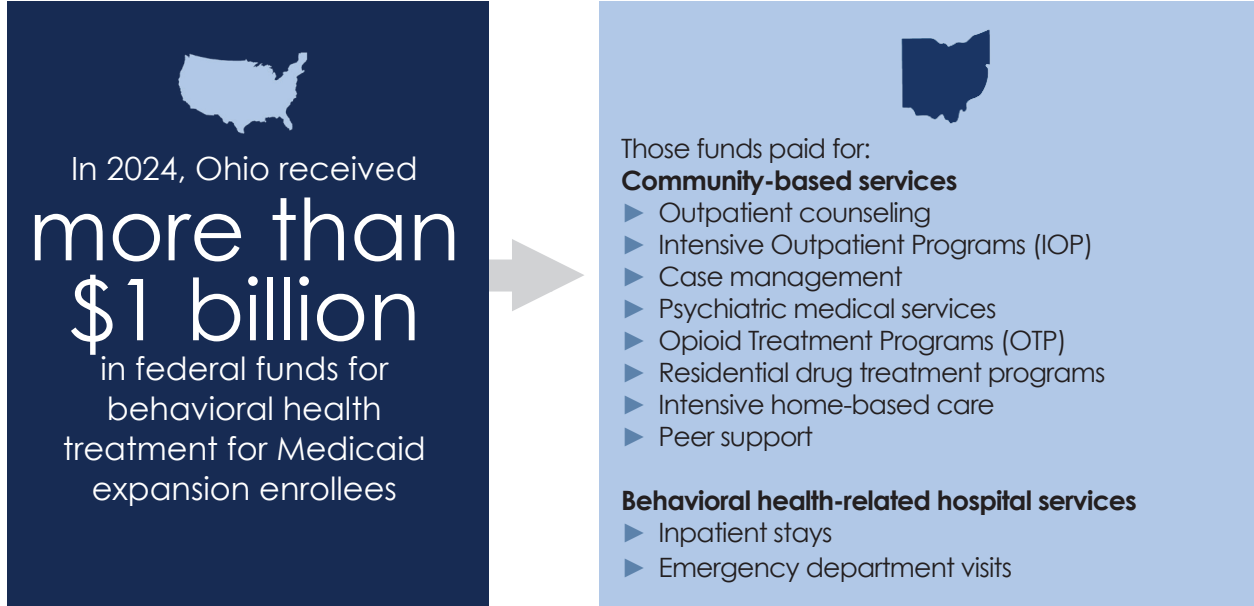
- Community-based mental health services (\$175 million)
- Community-based substance use disorder services (\$780 million)
- Behavioral health-related hospital services (\$185 million)

Most of this cost (90%) was paid for by the federal government (\$1.03 billion). This spending does not include most prescription medication for behavioral health conditions.

Delivered by providers certified by the Ohio Department of Mental Health and Addiction Services (OhioMHAS), community-based services include outpatient counseling, case management and residential treatment programs. Hospital services include behavioral health-related inpatient hospitalizations and emergency department visits.

For context, the total SFY 2023 budget for OhioMHAS was \$986 million³ and ADAMH board budgets totaled \$866 million in SFY 2024 (about one third of ADAMH boards' funding comes from OhioMHAS, so there is overlap between those amounts).⁴ OhioMHAS and ADAMH boards fund the full continuum of care (including services such as suicide prevention, recovery housing and drug courts) and are responsible for improving the health of all Ohioans (not just Medicaid expansion enrollees). Re-allocation of some OhioMHAS and ADAMH board resources toward clinical treatment would be inadequate to meet the need of uninsured adults if expansion were discontinued.

Figure 2. Ohio Medicaid expansion mental health and substance use disorder expenditures, 2024



If Medicaid expansion is eliminated, the state would have to cover those costs or face significant reductions in treatment. Maintaining current state investments and replacing even 50% of the federal funds would cost Ohio more than \$627 million a year.

Notes: This includes spending in the 84/95 categories and hospital utilization. It does not include most prescription drugs.
Source: Ohio Department of Medicaid response to a data request from HPIO

How important is Medicaid as a payer for mental health and SUD treatment?

Medicaid is the single largest payer for many mental health and substance use disorder services. For example, Medicaid paid for:

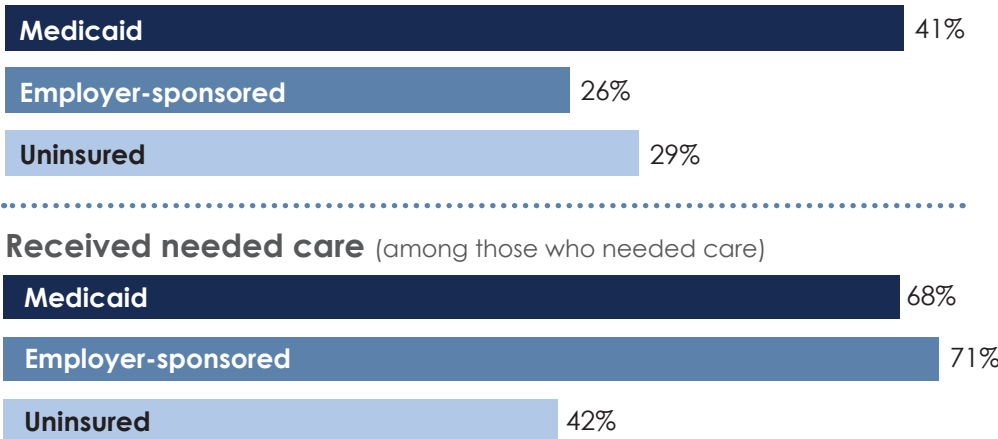
- 36% of all mental health and SUD emergency department visits in the U.S. in 2017 (compared to 26% paid for by private insurance, 19% by Medicare, 16% self-pay/no charge and 3% other)⁵
- 45% of all buprenorphine treatment episodes (medication for opioid use disorder) in the U.S. in 2021-2023 (compared to 18% paid for by commercial insurance, 11% by Medicare, 11% by discount cards/vouchers, 9% other and 6% cash-pay)⁶

Data point
 Medicaid is the single largest payer for many mental health and substance use disorder services.

Ohio Medicaid enrollees have more mental health needs than other lower-income adults and they are more likely than uninsured lower-income adults to report their mental health care needs have been met. Figure 3 displays perceived needs for Medicaid enrollees, those who are uninsured and those with employer-sponsored insurance.

Figure 3. Mental health care needs in the past 12 months, Ohio adults ages 19-64, 0% to 138% FPL, by insurance type, 2023

Percentage who report needing and receiving mental health care



Ohio Medicaid enrollees are more likely to report having mental health care needs met than those who are uninsured

Source: Ohio Medicaid Assessment Survey

Examples of impact

A young adult, who currently has Medicaid expansion coverage, is a part of a family that received housing assistance from a community behavioral health and housing provider when she was a child. She received guidance and support from the provider team and is now enrolled in a social work program, working toward her college degree. She still receives services from the provider as she works through her educational program. Medicaid expansion, along with other services, strengthens the ability of people who have experienced multiple life challenges to improve their futures and work towards self-sufficiency.

— Story from person with Medicaid expansion coverage

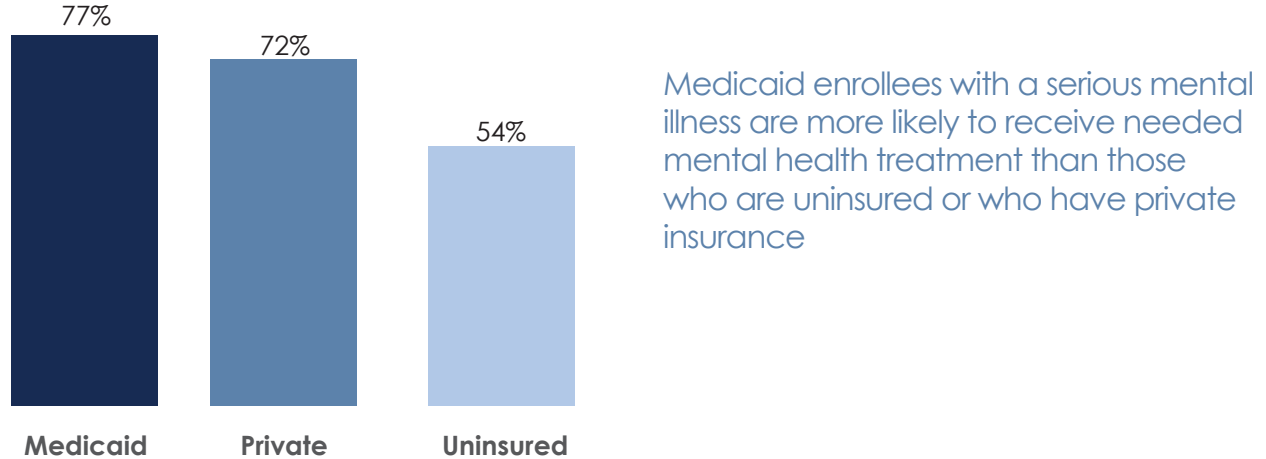
“When expansion went into effect, thousands of people who had no insurance became insured. They were able to get counseling, case management, detox, medications, IOP, MAT — all of these things help get people into recovery. People in recovery get jobs, get housing, get stable and contribute back to society. Expansion also helped small businesses that could not afford to provide their employees insurance.”

— Leader of local ADAMH board

Mental health treatment rates for people with serious mental illness are higher for Medicaid-enrolled adults compared to those who are uninsured or who have private insurance (displayed in figure 4).

Figure 4. **Mental health treatment rates among adults ages 18-64, with serious mental illness, by health insurance coverage type, U.S., 2023**

Percentage who received any mental health treatment among those with serious mental illness



Source: Kaiser Family Foundation analysis on the National Survey of Drug Use and Health

Medicaid’s role in providing comprehensive and accessible coverage

Because of the multiple barriers to health experienced by people with lower incomes, Ohio’s Medicaid program covers a comprehensive set of behavioral health services⁷, such as peer support and case management, that are not typically covered by private insurance. These in-depth supports help to stabilize people in the community and prevent hospitalization. In addition, Medicaid is the type of insurance coverage most frequently accepted by outpatient, residential and in-patient behavioral health facilities in Ohio:

- 94% of mental health treatment facilities accepted Medicaid in 2022 (compared to 88% that accept private health insurance)⁸
- 93% of substance use treatment facilities accepted Medicaid in 2022 (compared to 80% that accept private health insurance)⁹

What community-based behavioral health providers have to say



“Without Medicaid expansion, our ability to provide services would be severely diminished. People will most certainly lose access to life-saving treatment that enables them to participate in work, engage with their families, and remain healthy, contributing members of their communities. The broader effect would likely include more unhoused people, fewer people in the workforce, strain on local law enforcement, and more heartbreak in families. The economic impact would be significant: reductions in staff at our organization—and likely across other rural healthcare providers—would lead to job losses in areas where healthcare is often one of the largest employers.”

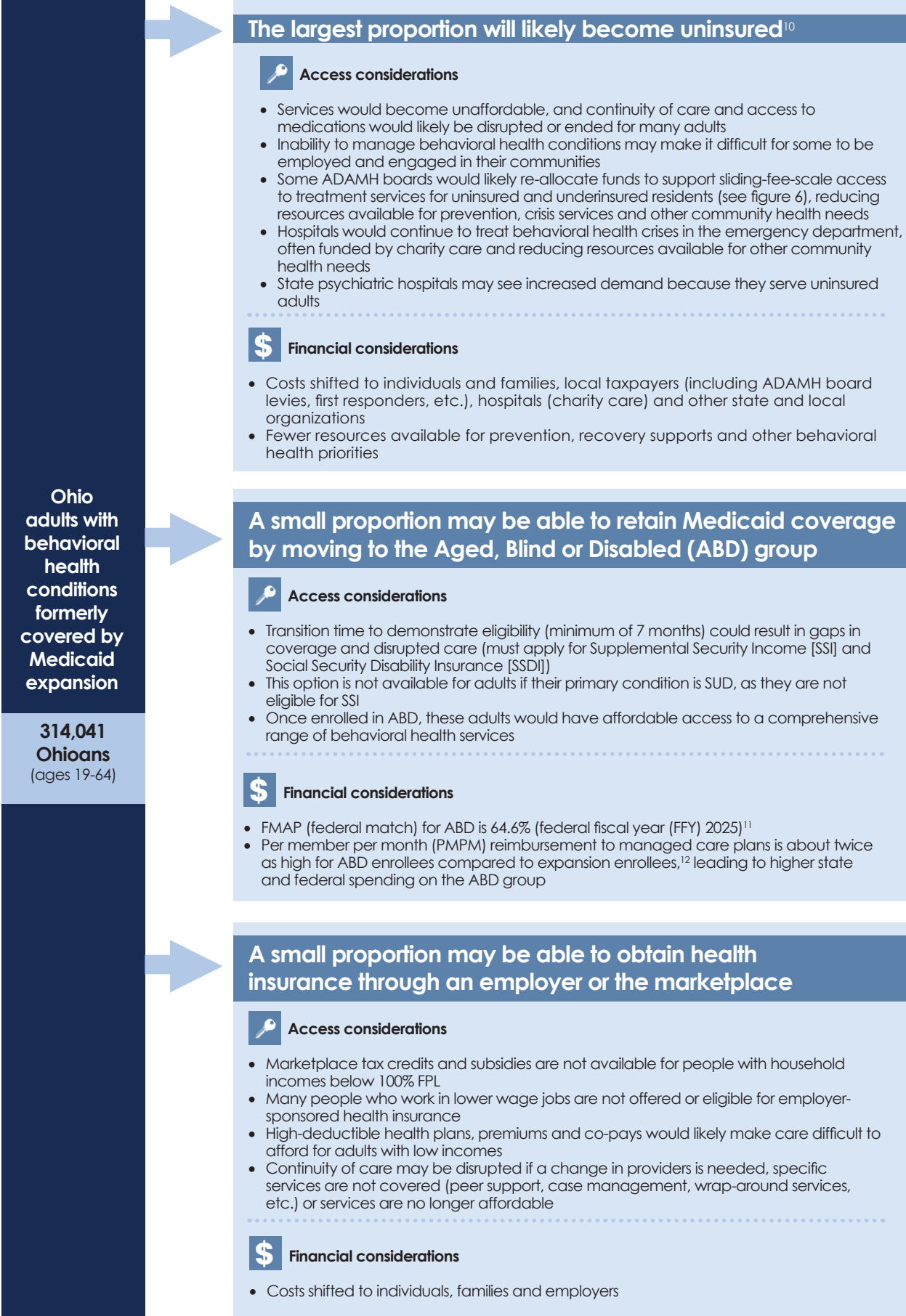


— Representative of a community mental health, substance disorder treatment and housing provider serving 21 counties across southeast and central Ohio

What are alternatives to Medicaid expansion coverage?

Figure 5 describes potential ways that Ohioans with behavioral health conditions could pay for mental health and SUD treatment services if Medicaid expansion were eliminated.

Figure 5. **Alternative pathways for mental health and SUD coverage if expansion is discontinued**

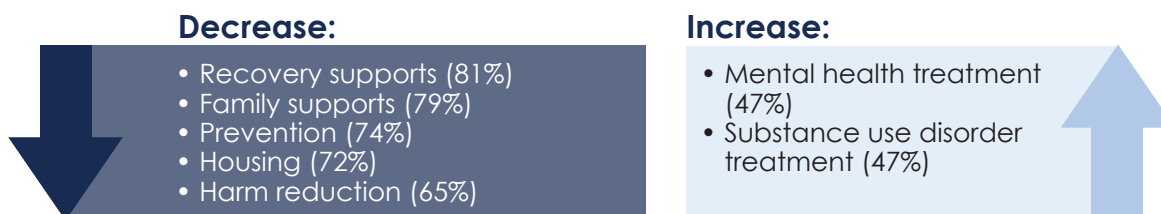


Local impact

Prior to the start of Medicaid expansion in 2014, Ohio's 50 ADAMH boards allocated significant resources toward behavioral health treatment services for those without health insurance. As expansion reduced Ohio's uninsured rate from 32% in 2012 to 12.3% in 2023 (for adults ages 19-64 with low incomes)¹³, these local boards shifted investments into a broader range of services along the continuum of care.

In partnership with the Ohio Association of County Behavioral Health Authorities (OACBHA), HPIO administered a survey of ADAMH board directors in April 2025 to gather their perspective on the potential impact of discontinuing Medicaid expansion. Most respondents (77%) said that they were "not confident" that their board would be able to re-allocate funding to fully or mostly cover treatment services for the expansion population if Medicaid expansion coverage was eliminated (0% were "very confident," 14% were "somewhat confident" and 9% were not able to estimate at this time). More specifically, figure 6 displays the ADAMH board directors' projected changes to funding allocations if Medicaid expansion was eliminated.

Figure 6. If Medicaid expansion coverage was eliminated in Ohio, how likely would your board be to make changes in funding allocations to the following services? (n=43 ADAMH board executive directors)



Impact on other systems

The ADAMH board survey asked directors about the likelihood of several outcomes occurring in their local communities if Medicaid expansion was eliminated. Most projected negative outcomes and increased pressure on first responders, hospitals, jails, coroners and homelessness services:

- Emergency department visits for behavioral health conditions (98% said an increase was likely)
- Behavioral health crisis episodes (93%)
- Inpatient psychiatric hospitalizations (88%)
- People with behavioral health conditions in jail (88%)
- Behavioral health-related deaths (suicide, drug overdose and alcohol-related deaths) (88%)
- Homelessness (81%)

People with mental illness, particularly those who are unstably housed, often come into contact with law enforcement and other first responders. Without appropriate care management or crisis response, symptoms of untreated mental illness can lead to nonviolent offenses, such as disorderly conduct, loitering, trespassing and disturbing the peace.¹⁴ Similarly, people with a substance use disorder may come into contact with law enforcement for possession of illicit drugs.

Over the past decade, OhioMHAS and ADAMH boards have brought behavioral health, law enforcement and criminal justice system partners together to develop and implement programs such as specialized dockets (drug courts, mental health courts, etc.), Quick Response Teams (QRT) and re-entry programs. These programs connect people to behavioral health services to reduce recidivism and crises. Courts often order offenders to participate in treatment, which is mostly covered by Medicaid; treatment for 70% of specialized docket participants in Ohio was paid for by Medicaid as of 2020.¹⁵ Without Medicaid expansion, additional local government resources may be needed to sustain these efforts or to respond to increased crises and jail incarceration.

What local ADAMH boards have to say

The following comments about the potential loss of Medicaid expansion were made by leaders of local Alcohol, Drug, and Mental Health (ADAMH) boards who responded to a recent HPIO survey described on page 6:



"[Medicaid expansion] was a total game changer for us. We can focus more on prevention, education and jail services."

"We are a small, rural county with limited resources. This would reduce services and cost taxpayers so much more in other areas."

"Eliminating Medicaid expansion would not only hurt individuals, but it would destabilize the very systems we rely on to ensure public health and safety. The impact would be devastating – increase in overdose deaths, suicide and homelessness. The ripple effects would stretch far beyond the mental health and recovery space — impacting law enforcement, hospitals, courts, shelters, and schools."

"After Medicaid expansion, the accessibility to treatment was significantly increased, and people were able to receive interventions before it got to the crisis and hospitalization stage. This created more funds from ADAMH for recovery supports and prevention. These important supports have saved lives and kept people in treatment."



— Leaders of local ADAMH boards

Policy considerations

As policymakers consider the future of Medicaid Group VIII coverage in light of both federal and state policy proposals, answering the following questions will inform their decision making.



- How would elimination of Medicaid expansion effect the ability of people with mental health or substance use disorders to reach their full health potential, engage in their communities and participate in the workforce?
- How will proposed federal funding reductions, in addition to potential federal Medicaid funding changes, affect resources available for OhioMHAS and ADAMH boards?
- How will local communities sustain multi-sector efforts to coordinate behavioral health, law enforcement, courts, housing and other systems if OhioMHAS and ADAMH board resources are diverted to cover clinical treatment services?
- How would an increase in the number of uninsured adults with behavioral health conditions affect private hospitals (emergency department capacity, charity care expenditures, etc.) and the regional psychiatric hospitals?
- What are the long-term implications of transitioning more adults into ABD, SSI and SSDI?
- How many expansion enrollees with behavioral health conditions will be able to transition to and maintain employer-sponsored coverage?
- Given the high amount of spending on SUD treatment, what can be done to monitor outcomes and ensure high-quality care?
- What changes are needed in the behavioral health care system to reduce unmet need among Ohioans with Medicaid, private coverage and those who are uninsured?

Methods

HPIO reviewed the following information to develop this policy brief:

- Literature review, including peer-reviewed journal articles, grey literature (such as reports from national think tanks) and data from government agencies
- Data provided by the Ohio Department of Medicaid
- Online survey of ADAMH board executive directors, administered via email from OACBHA. A total of 43 directors completed the survey (86% response rate), representing every region of Ohio and a mix of urban, suburban and rural areas
- Consultation with Medicaid and behavioral health experts

Background

Since Ohio expanded Medicaid eligibility in 2014, hundreds of thousands of residents with lower incomes – including people who are working, parents, grandparents, veterans and caregivers – have gained access to medically necessary health care. As of March 2025, nearly 770,000 Ohioans are covered through Medicaid expansion.¹⁶

The federal Affordable Care Act (ACA) and a subsequent U.S. Supreme Court decision permitted states to expand Medicaid eligibility to adults earning less than 138% of the federal poverty level (FPL). The federal government pays 90% of the cost of the Medicaid expansion group and the state government pays 10%. The proposed 2026-2027 biennial state budget (House Bill 96) would discontinue Medicaid expansion if the enhanced FMAP for Medicaid expansion drops below 90%.

HPIO's **Policy Considerations: The Future of Group VIII (expansion) Medicaid Coverage in Ohio** brief contains more general information and considerations about Medicaid expansion coverage as policymakers consider the future of the program.

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Notes

1. Data from the "Monthly Medicaid Caseload Report," as compiled by the Ohio Department of Medicaid. "Ohio Department of Medicaid – Monthly Medicaid Caseload Report." Ohio Department of Medicaid. Accessed April 19, 2025. https://medicaid.ohio.gov/wps/wcm/connect/gov/ed63e651-4021-4a34-a35eebec670b787b/Caseload_SF25_MAR.pdf
2. Includes enrollees who had a primary behavioral health diagnosis and received services. Note that Director Corcoran's April 29, 2025, testimony to the Senate Medicaid Committee used a broader definition that resulted in a higher estimate.
3. Ohio Department of Mental Health and Addiction Services: Occupational Regulation. Columbus, OH: Ohio Legislative Service Commission. <https://www.lsc.ohio.gov/assets/organizations/legislative-service-commission/files/ga-134-mha-ohio-department-of-mental-health-and-addiction-services.pdf>
4. Note: About one third of ADAMH boards' funding comes from OhioMHAS, so there is overlap between those amounts. Data provided by the Ohio Association of County Behavioral Health Authorities. Provided April 22, 2025.
5. Karaca, Zeynal, and Brian J. Moore. "Costs of Emergency Department Visits for Mental and Substance Use Disorders in the United States, 2017." In: Healthcare Cost and Utilization Project (HCUP) Statistical Briefs. Rockville, MD: Agency for Healthcare Research and Quality. Statistical Brief #257 (2020). <https://www.ncbi.nlm.nih.gov/books/NBK558212/>
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7. Guth, Madeline, Heather Saunders, Bradley Corallo, and Sophia Moreno. "Medicaid Coverage of Behavioral Health Services in 2022: Findings from a Survey of State Medicaid Programs." KFF, March 17, 2023. <https://www.kff.org/mental-health/issue-brief/medicaid-coverage-of-behavioral-health-services-in-2022-findings-from-a-survey-of-state-medicoid-programs/>
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9. Ibid.
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11. Health Policy Institute of Ohio. "Ohio Medicaid Basics 2025." February 2025.
12. Ohio Medicaid Provider Agreement for Managed Care Organization. Columbus, OH: Ohio Department of Medicaid, 2025. https://dam.assets.ohio.gov/image/upload/medicaid.ohio.gov/Providers/ProviderTypes/Managed%20Care/Provider%20Agreements/2025_02_MCO_Final.pdf
13. Health Policy Institute of Ohio. "Policy Considerations: The Future of Group VIII (Expansion) Medicaid Coverage in Ohio." March 2025.
14. Information from the National Alliance on Mental Illness (NAMI). "Criminalization of People with Mental Illness." NAMI. Accessed April 2025. <https://www.nami.org/Advocacy/Policy-Priorities/Stopping-Harmful-Practices/Criminalization-of-People-with-Mental-Illness/>
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16. Data from the "Monthly Medicaid Caseload Report," as compiled by the Ohio Department of Medicaid. "Ohio Department of Medicaid – Monthly Medicaid Caseload Report." Ohio Department of Medicaid. Accessed April 19, 2025. https://medicaid.ohio.gov/wps/wcm/connect/gov/ed63e651-4021-4a34-a35eebec670b787b/Caseload_SF25_MAR.pdf

More Medicaid resources from HPIO

In the coming weeks, HPIO plans to release additional resources from its **2025 Ohio Medicaid Expansion Study** to assist policymakers who are evaluating options related to Medicaid coverage in Ohio. The Institute also recently released the latest edition of its biennial **Ohio Medicaid Basics**, which provides an overview of the Ohio Medicaid program, including eligibility, covered services, spending and recent policy changes.

