



# CALIFORNIA OPIOID MAINTENANCE PROVIDERS

## The Governor's Budget Cuts Call for the Near-Elimination of California's Drug Medi-Cal Program...

### What will be the impact?

#### BOARD OF DIRECTORS

Jason Kletter, Ph.D.  
President

Joan E. Zweben, Ph.D.  
Vice President

Nicole Jernigan  
Secretary

Steven J. Maulhardt, CPA  
Treasurer

#### BOARD MEMBERS

George Feicht, M.P.A.

Mark R. Hickman

Robert B. Kahn, Ph.D.

Michael McCann, M.A.

John J. McCarthy, M.D.

Luis C. Montes

John Peloquin, MBA

Carolyn A. Perry, P.A.

Stan Sharma, Ph.D.

Mark Stanford, Ph.D.

William C. Wilson

#### IN MEMORIUM

Walter Byrd

Donald R. Dorr, Ph.D.

Bruce Duncan

John Randall, M.S.W.

Joe Shannon, M.D.

The Governor's May revise proposes to eliminate almost all of the Drug Medi-Cal (DMC) program, excluding perinatal services. Total "savings" to the State General Fund proposed by virtual elimination of Drug Medi-Cal is \$53M. This is the only statewide funding for Medication-Assisted Treatment (MAT) for opiate addiction. Perinatal comprises just 2% of the current DMC State General Fund (SGF) expenditure.

Approximately **55% of patients enrolled in medication-assisted (methadone) treatment use DMC to pay for their addiction treatment services.** With these cuts, it is reasonable to anticipate a complete dismantling of the network of **142 statewide clinics** that provide methadone treatment to approximately **35,500** individuals; a network that has taken more than three decades to develop.

The destruction of this network will **significantly impact the growing population of young people ages 18 - 25 who are experiencing an epidemic of prescription drug abuse.** In the past few years, some clinics report that as much as 75% of new admissions are people who have become dependent on prescription drugs. The Drug Enforcement Administration (DEA) reports that prescription pain relievers are new drug users' drug of choice. Twenty-five percent of drug-related emergency room visits are associated with abuse of prescription drugs. Eliminating the MAT system will only increase the number of emergency rooms visits exponentially congesting an already over-crowded system.

Should this cut take effect and most clinics are forced to close on October 1, 2010, **the following impact will be felt all across the state within days:**

- **The state will lose \$61 Million in Federal Medicaid matching funds plus another \$100 Million in Block Grant funding**
- **80% of the 35,500 people in treatment will relapse to drug use within a year, resulting in increased costs to the state of approximately \$700 million related to drug use, criminal justice, emergency rooms, and foster care (based on 7:1 ROI cited in CALDATA study;**
- These 35,500 people will almost immediately seek out heroin or prescription drugs such as oxycontin to stave off withdrawal symptoms leaving many to resort to criminal activity if necessary;
- Many will show up in local emergency rooms across the state seeking methadone but will be unable to get it since emergency rooms are not licensed to dispense methadone for opiate dependence;
- **Approximately 3,000 people working in treatment programs will become unemployed,** adding to the other 2.3 million Californians currently unemployed;
- **Another 14,000 currently employed patients will have significant difficulty continuing to work without medication-assisted treatment;** when treatment is withdrawn, many will likely lose their job shortly after relapsing; and many of their life/career paths will be disturbed resulting in an increase in illicit drug use and crime;

Retaining the perinatal program in the budget is a cruel hoax because DMC perinatal covers women for just 60 days post-partum. This means **women will be ineligible for treatment until (and unless) they become pregnant.** Assuming there is still a clinic nearby for them to access services, they will receive treatment for a brief period, then, when the baby is just two months old, the new mother will be forced out of treatment, throwing the mother into withdrawal at a critical time when she and her baby need a stable, healthy environment.

When our economy recovers in a few years, **tens of thousands of new Medi-Cal beneficiaries made eligible under the new federal parity and health care reform legislation will have no access to scientifically proven, cost-effective addiction treatment services.** These clinics have been serving this population successfully for over 30 years, utilizing evidence-based practices which demonstrates the necessity of both medication and counseling to produce stability for these patients. For the vast majority of people with opiate addiction, access to a medical clinic specializing in opiate addiction treatment will be a very scarce resource for all but those who are full-pay patients. The clinic network will be gone and new clinics will be difficult, if not impossible, to site.

•1124 International Blvd., Oakland, CA 94606 Phone: 510-533-0800 Fax: 510-532-5861•