

Statement for the Record

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“Policies to Protect Our Communities from Illicit Drug Threats”

The Legal Action Center is a law and policy organization that works to fight discrimination, build health equity, and restore opportunity for people with substance use disorders (SUDs), arrest and conviction records, and HIV or AIDS. We urge the House Energy and Commerce Health Subcommittee to bolster public health responses to the ongoing overdose crisis in this country that help stem the tide on overdose deaths and increase access to SUD care rather than revert to outdated punitive and other failed policies of the past.

While the overall drug overdose death rate in this country has declined recently, we are still losing more than [200 people](#) a day to fatal overdose, and certain [groups of people continue to experience significantly higher mortality rates](#). Meanwhile, mental health needs continue to rise across most populations as we lose nearly [135 people](#) a day to suicide. Ensuring people's access to substance use and mental health (MH) care couldn't be more important— not only to build on the progress made in reducing fatal overdoses but also to address the ever-growing mental health crisis.

Of the nearly [50 million people](#) in the United States with an SUD, only about [20%](#) access treatment in a given year, and that's before the impacts of recent federal rollbacks to key pillars of care access including Medicaid, SAMHSA, and Marketplace plans. Of the adults who needed SUD treatment and did not receive it, [30%](#) pointed to a lack of health coverage or affordable health coverage as the reason why.

Millions of Americans are bracing for the impact of the One Big Beautiful Bill Act (OBBBA)'s nearly \$1 trillion in cuts to Medicaid -- the single largest payer of mental health and SUD services in the nation -- which the [Congressional Budget Office](#) (CBO) estimates will cause 10 million people to lose access to health care coverage, including 7.5 million people being forced off Medicaid.

Medicaid is a crucial lifeline for those who are struggling with SUD. Nearly [40%](#) of Medicaid enrollees live with SUDs and/or MH conditions, and over 20% of U.S. adults with any SUD are covered by Medicaid. Compared to other types of insurance, Medicaid consistently yields the highest rates of treatment access to quality care for opioid use disorder (OUD), underscoring the program's indispensable role in addressing the continuing overdose crisis. For example, after Kentucky expanded its Medicaid program, the number of enrollees accessing SUD treatment grew by a remarkable [700%](#).

Over the years, prior to the OBBBA, Congress and CMS had made substantial progress in improving access to SUD and MH care by expanding Medicaid eligibility, SUD treatment coverage, and SUD/MH parity protections, but we are concerned that current congressional and administration actions aimed at further gutting Medicaid will reverse these important gains.

In total, there are nearly 14 million nonelderly adult Medicaid enrollees with SUDs and/or MH conditions nationwide who rely on Medicaid to access lifesaving medications,

services, and support. Many formerly incarcerated individuals and those with SUDs or MH conditions rely on Medicaid in the first place because of pervasive discrimination and stigma in many areas of life, including employment, education, housing, and commercial insurance. The federal government's current actions, including Medicaid policy changes like the OBBBA's work reporting requirements, are only reinforcing and extending this stigma and discrimination deeper.

While data shows that at least [92%](#) of adult Medicaid enrollees already meet either the work requirement or one of the exemptions, [CBO](#) estimates that more than 25% will lose coverage, many due solely to the bureaucratic red tape associated with these requirements rather than ineligibility. This loss of coverage will only compound the barriers that people with SUDs, MH conditions, and arrest/conviction histories already face, reducing their care access and significantly worsening their health. While the President and Congress intentionally included critically important exemptions in the law to ensure vulnerable populations, like those with SUDs, were not unintentionally harmed by these new work requirements, the reality and experience of states that have adopted such requirements is one of massive coverage loss, including among vulnerable populations.

Georgia and Arkansas are crucial examples of the barriers to coverage and coverage loss that results from work reporting requirements. In Georgia, as of the end of February 2026, just shy of [15,000](#) people accessed coverage through the state's Pathways to Coverage program, out of about [240,000](#) predicted to be eligible – a meager 6 percent. And, in Arkansas, where Medicaid work reporting requirements were promised to increase employment, [18,000](#) people – or 1 in 4 - lost their Medicaid coverage in less than a year, with no increase in employment.

On top of the massive cuts contained in the OBBBA, Congress and the Administration have sent letters to more than 10 states purporting to investigate fraud in their Medicaid programs, specifically targeting SUD treatment in many cases. CMS even went so far as to freeze federal Medicaid funding to Minnesota for entire categories of services. These overly broad actions do nothing to address actual fraud and instead jeopardize people's access to lifesaving care.

As part of this hearing, the Subcommittee is considering a series of bills, including H.R. 5629. **LAC opposes H.R. 5629 and urges Congress not to pass this legislation. On top of the Medicaid cuts mentioned previously, this bill would have a devastating impact on access to medications for opioid use disorder (MOUD). The [2024 42 CFR Part 8 Final Rule](#) importantly established more flexibilities for states to increase access to MOUD. These medications are widely recognized as the gold standard of care for treating OUD but are only accessed by a small fraction of individuals.** Modernizing the Part 8 standards, as SAMHSA did in 2024, was a critical step to increasing access to MOUD and must be continued to increase overall engagement and address remaining stark disparities. For individuals living in [rural communities](#), access to opioid treatment programs (OTPs) and office-based MOUD is particularly limited. Further, despite some

prisons and jails offering MOUD, the majority of incarcerated people remain unable to access MOUD, contributing to the significantly higher overdose rates for people reentering the community. Rolling back the recent improvement in the revised Part 8 rule would also create significant confusion and service disruption for people receiving SUD treatment and the people who serve them.

The Part 8 rule changes came nearly 30 years after the [Institute of Medicine](#) observed that the OTP regulatory scheme should reinforce the lifesaving and public safety benefits of methadone, one of the three FDA-approved types of MOUD, as opposed to “put[ting] too much emphasis on protecting society from methadone.” The changes crucially removed stigmatizing regulatory language with the goal of reinforcing a standard of patient-centered and dignified care that all patients deserve and all OTPs should provide. The 2024 updates to Part 8 importantly give patients at OTPs more flexibility with their SUD treatment, which minimizes disruptions to “employment, education and other daily activities for patients,” and removed barriers to engaging in care in OTPs. The changes also importantly foster patient wellbeing, public health and safety, and more equitable access to MOUD at large. The changes are consistent with [research findings](#) that show that increased methadone treatment regulatory flexibilities extended during the COVID pandemic led to no significant increase in methadone-involved overdose fatalities or severity in methadone poisoning exposure and increased patient quality of life. Congress should be looking for more opportunities to increase support and access to SUD treatment consistent with this goal of enabling individuals to live their lives to the fullest while participating in treatment.

Further, H.R. 5629 would roll back progress towards increasing access to SUD treatment in carceral settings, a priority that more than half of all states have been working toward. The 2024 Part 8 changes provided important clarification that a carceral facility that is not an OTP can still provide methadone for the initiation or continuation of treatment for OUD or withdrawal management to a patient if certain conditions are met. This is especially important as formerly incarcerated people are [130 times](#) more likely to die from an overdose in the first two weeks after release than the general population.

The OBBBA’s significant cuts to Medicaid already threaten access to lifesaving health coverage and care for people with SUD. We urge the Subcommittee not to exacerbate the harm by passing legislation that will further reduce care access and create additional barriers to people’s wellbeing and stability. If we want to continue the progress we have made in reducing overdose deaths, we should be enhancing and building on the public health policies that have yielded results, like reducing barriers to SUD treatment and services and increasing access to healthcare coverage. The Legal Action Center stands ready to partner in these efforts and appreciates the opportunity to provide this statement.