RICHARD M. FAIRBANKS FOUNDATION

# THE FEDERAL GOVERNMENT HAS ALLOCATED $11 BILLION TO COMBAT THE OPIOID EPIDEMIC. ARE STATES GETTING THEIR FAIR SHARE?

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## Introduction

Of all the drug crises that have plagued the U.S., the opioid epidemic is among the most deadly in history– so much so that elected officials declared it a national public health emergency two years ago.

Drug overdoses involving opioids have claimed almost 400,000 lives over the last two decades (1999-2017), nearly the same number of U.S. service members who died during World War II. In 2017 alone, 47,600 Americans lost their lives to this drug crisis, and the number of drug overdose deaths has contributed to America's declining life expectancy over the last three years.

To help stem the tide of opioid-related casualties, the federal government allocated $11 billion in fiscal years 2017 and 2018 to combat the epidemic. This funding – granted state by state – supports interventions such as expanding access to medication-assisted treatment (MAT) for opioid use disorder, educating medical providers on improved opioid prescribing practices, and increasing access to the overdose-reversal drug naloxone. But a new analysis released by the Richard M. Fairbanks Foundation[1] shows that the amount of funding flowing to states is not aligned with their share of opioid-related deaths. This creates clear winners and losers: Some states receive significantly more funding than their proportion of the nation's opioid-related deaths, while others receive far less.

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The consequences of this are severe for the losers. If opioid-related overdose deaths serve as a proxy for the severity of the crisis, this analysis shows that some states most in need of resources to tackle the opioid epidemic aren't receiving their fair share of funding. Hundreds of millions of dollars pass over these areas – predominantly in the Rustbelt – and flow to other states. Indiana, where the Richard M. Fairbanks Foundation focuses its philanthropic funding, is among these underfunded states, with its percentage of federal funding being nearly half its share of opioid-linked overdose deaths.

The analysis provides a comparison of how much federal funding states received to combat the opioid epidemic, relative to their claim of the nation's opioid-related overdose deaths. Its results raise questions about how federal funding is allocated and whether that formula needs to change as policy leaders consider the most impactful ways to tackle our nation's opioid crisis.

## Winners and Losers

The Richard M. Fairbanks Foundation analysis uses recently released data from the Bipartisan Policy Center on federal opioid appropriations by state for fiscal years 2017 and 2018.[2] The analysis compares this funding to opioid-related overdose deaths, measured using three calculations. The first is Centers for Disease Control and Prevention (CDC) data, which report official numbers of overdose deaths based on death certificates. However, research by Christopher Ruhm[3] at the University of Virginia and Jeanine Buchanich[4] and her co-authors show that official deaths counts significantly underestimate the percentage of opioid-related overdose deaths. This is because, in cases where the drug that caused the overdose death is unknown on death certificates, the CDC numbers assume that opioids are not involved. This leads to underestimates of opioid-related overdose deaths, and these underestimates vary dramatically across states.

To correct for this, in addition to looking at CDC data, the Richard M. Fairbanks Foundation used two separate approaches for adjusting the death counts, based on methods applied by scholars Ruhm and Buchanich. Both require estimating the number of unspecified drug overdose deaths that involve opioids.

In all three methods of calculation – reported deaths from CDC and corrected deaths based on approaches from Ruhm and Buchanich et al. – four states ranked highest in receiving more than their share of federal funding, relative to their share of opioid-related overdose deaths: Oregon, Washington, Texas and California. Across the three analyses, for instance, California received nearly 11% of federal funding for opioid interventions but accounted for less than 5% of opioid-related overdose deaths nationally. (See Table 1: "A Look at the Winners" for more detail.)

## Table 1: A Look at the Winners [5]

| State | Percentage of opioid-related deaths | Percentage of opioid-related funding | Total federal funding | Amount of overfunding |
|---|---|---|---|---|
| **California** | 4.8% | 10.9% | $912.6 million | $506.4 million |
| **Texas** | 3.3% | 6.4% | $533.2 million | $254.8 million |
| **Washington** | 1.3% | 2.4% | $200.2 million | $91.5 million |
| **Oregon** | 0.6% | 1.4% | $118.3 million | $67 million |

On the opposite end, some states with high rates of overdose deaths emerged as clear losers, receiving significantly less funding to address the opioid epidemic than their share of the nation's opioid-related casualties. In calculations that were adjusted according to methods outlined by scholars Ruhm and Buchanich, the four states with the greatest underfunding were Pennsylvania, Ohio, New Jersey and Indiana. Pennsylvania and Ohio, for instance, each claim more than 8% of all opioid-related overdose deaths nationally, but both receive only about 4% of federal opioid funding apiece. New Jersey has almost 5% of deaths but less than 2.5% of funding, and Indiana has 4% of deaths and less than 2% of funding. (See Table 2: "A Look at the Losers" for detail.) The CDC data – not adjusted to account for underestimated deaths due to opioids – also shows Ohio and New Jersey among the most underfunded states but includes Maryland and North Carolina among that list.

## Table 2: A Look at the Losers[6]

| State | Percentage of opioid-related deaths | Percentage of opioid-related funding | Total federal funding | Amount of underfunding |
|---|---|---|---|---|
| **Pennsylvania** | 8.8% | 4.1% | $344.5 million | -$398 million |
| **Ohio** | 8% | 4.1% | $344 million | -$329.1 million |
| **New Jersey** | 4.7% | 2.3% | $192 million | -$203.9 million |
| **Indiana** | 4.0% | 1.9% | $158.8 million | -$175.6 million |

The Richard M. Fairbanks Foundation report does not explore what drives differences between states' share of federal opioid funding and their share of opioid-related overdose deaths. This is left for future research.

## Implications and Next Steps

The underfunding for states with high rates of opioid-related overdose deaths means that these states lose out on hundreds of millions of dollars that they would have received if federal funds were allocated based on states' shares of opioid-related deaths. In Pennsylvania, that loss amounts to between $398 million and $409 million, according to the calculations adjusted in line with Ruhm and Buchanich's recommendations. In Ohio, it is between $325 million and $329 million. In New Jersey, the funding disparity is between $204 million and $224 million, and in Indiana it ranges between $157 million and $176 million.

Those lost dollars could make a significant impact on addressing the opioid crisis in these hard-hit states.

Additional funding could provide expanded access to medication-assisted treatment (MAT), the gold standard for opioid addiction treatment, through stronger Medicaid reimbursement or programs that provide access to MAT to individuals in the criminal justice system. These dollars could also be used to prevent opioid addiction in the first place through, for example, school-based prevention programs and prescription drug monitoring. More funding also could be used to expand access to peer-recovery coaches who support those suffering from opioid-use disorder, recovery housing or improved data and surveillance to better target resources.

The implications of these findings are clear. People suffering from opioid use disorder are worth the same across each state. The way funding is allocated now – which is not commensurate with the percentage of opioid-related overdose deaths – creates a misalignment between resources and need. As we look to meaningfully tackle America's opioid epidemic, addressing these disparities must be part of the solution.

1 The report was authored by Alex Cohen, Ph.D., Director of Learning and Evaluation at the Richard M. Fairbanks Foundation.

2 Bipartisan Policy Center (2019). Opioid Appropriations FY2017-FY2018 and Death Rates 2017 by State. URL: https://bipartisanpolicy.org/library/tracking-federal-funding-to-combat-the-opioid-crisis/. Accessed: April 2, 2019.

3 Ruhm, Christopher (2017). Geographic Variation in Opioid and Heroin Involved Drug Poisoning Mortality Rates. American Journal of Preventive Medicine 53(6), 745-753. https://doi.org/10.1016/j.amepre.2017.06.009.

4 Buchanich, Jeanine, Lauren Balmert, Karl Williams and Donald Burke (2018). The Effect of Incomplete Death Certificates on Estimates of Unintentional Opioid-Related Overdose Deaths in the United States, 1999-2015. Public Health Reports 133(4), 423-431. https://doi.org/10.1177/0033354918774330.

5 Data reflects calculations applied per the methods developed by Christopher Ruhm.

6 Ibid