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New Report Indicates Opioid Use Disorder Costs State Medicaid Programs \$25.4 Billion Annually

Cost analysis provides new insight into the economic impact of the opioid crisis on state budgets

Washington, DC (August 5, 2025) – Voices for Non-Opioid Choices ("Voices") today announced the release of a new report analyzing the economic toll of opioid use disorder (OUD) on state Medicaid programs. Conducted by Health Management Associates (HMA), a nationally recognized leader in health care economics, the report presents one of the most comprehensive state-by-state breakdowns of the fiscal impact of OUD on Medicaid to date.

The analysis identified approximately 42,843 fee-for-service Medicaid patients newly diagnosed with OUD in 2022. On average, these patients cost Medicaid \$14,002 more per person than similarly matched individuals without OUD, totaling an estimated \$600 million in additional spending that year alone. This spike was driven by steep increases in care costs: inpatient spending was nearly five times higher (\$11,447 vs. \$2,732), while physician/outpatient services rose nearly 50% and pharmacy costs by over 35%.

The report underscores the immense financial strain driven by the opioid epidemic. Applying these cost estimates across the full Medicaid population with OUD—including the 1.8 million beneficiaries enrolled in managed care—the total financial burden can be projected to reach \$25.4 billion annually.

These findings give an economic point to a human loss, highlighting the urgent need for upstream solutions that prevent opioid addiction before it begins.

“This report quantifies the economic impact of a well-documented health crisis in America”, said Mark Desmarais, Principal at The Moran Company and lead author of the report. “The data sheds light on the budgetary reality of the opioid addiction epidemic and its impact on the finances of state Medicaid programs.”

The report underscores the urgent need for policies that address opioid addiction prevention and treatment at scale, including expanding access to non-opioid pain management therapies. With the economic burden on Medicaid systems now quantified, the findings make one thing clear: this crisis is not only a public health tragedy—it is a budgetary emergency for state Medicaid programs.

“It’s important for us to realize the whole toll of the opioid addiction epidemic,” **said Chris Fox, Executive Director of Voices for Non-Opioid Choices.** “Behind every statistic is a person, a family, and a community in pain. Our hope is that this data helps drive policymaker action to increase access to safer alternatives and stop addiction before it starts.”

This analysis reinforces the importance of passing measures like the bipartisan Alternatives to Prevent Addiction in the Nation (Alternatives to PAIN) Act (H.R. 1227/S. 475), which would expand access to non-opioid options for millions of Americans. Recently introduced in the 119th Congress by Sens. Thom Tillis (R-NC) and Mark Kelly (D-AZ), and Reps. Mariannette Miller-Meeks (R-IA), Nanette Barragán (D-CA), Mike Kelly (R-PA), and Jimmy Panetta (D-CA), the bill would ensure Medicare Part D beneficiaries have full access to safer, non-addictive pain treatment options. Its passage would establish a vital policy foundation for future reforms across Medicaid and commercial insurance plans.

Voices for Non-Opioid Choices continues to advocate for policies that prevent opioid addiction before it starts by increasing access to non-opioid therapies for both patients and providers. With recent CDC data showing that 148 Americans die every day from an opioid-related overdose, the coalition remains committed to driving forward solutions that reduce unnecessary exposure to prescription opioids and help address the root causes of the epidemic.

Read the full text of the report [HERE](#).

About Voices for Non-Opioid Choices Voices for Non-Opioid Choices is a nonpartisan coalition committed to preventing opioid addiction by promoting access to non-opioid therapies for managing acute pain. The coalition works tirelessly to ensure that all Americans can benefit from effective, non-addictive pain management options, regardless of their healthcare coverage or setting. For more information, visit www.nonopioidchoices.org.