



March 25, 2025

Senator Glen Womack, Chair, Senate Committee on Finance
Senator Heather Cloud, Vice Chair, Senate Committee on Finance
Representative Jack McFarland, Chair, House Committee on Appropriations
Representative Jason Hughes, Vice Chair, House Committee on Appropriations

Re: Proposed Cuts to Addiction Treatment Services in FY 25-26 Budget

Dear Chair Womack, Vice Chair Cloud, Chair McFarland, and Vice Chair Hughes,

On behalf of the Coalition of Louisiana Addiction Service & Prevention Providers (CLASPP), which advocates on behalf of substance use disorder (SUD) treatment provider agencies across Louisiana and at-risk individuals served, we would like to:

- draw your awareness to the funding reductions for addiction treatment services as proposed in the FY 25/26 Executive Budget;
- urge the Committee's prioritization of funding for addiction treatment and recovery services in the 2025 Regular Session amidst a time of intense need for treatment service statewide.

In the 2024 Regular Session, the Legislature included an additional \$10 million in House Bill 1 to enhance Medicaid SUD rates and provide long-needed relief to providers; coupled with federal match dollars, this translated into approximately \$31 million in additional funding toward addiction treatment services in the current fiscal year, which the state opted to enact in the form of an enhanced rate over a nine-month period with a special enhanced rate for services tailored to pregnant women. Prior to this adjustment, the Medicaid rates for SUD services had not been adjusted in a decade. However, the additional funding for SUD services that was included in 2024 was nonrecurring, which puts providers and services at imminent risk.

Since funding SUD treatment services only at FY 23/24 levels would effectuate a dramatic 20% reduction to SUD service rates compared to FY 24/25 levels and in full effect would devastate the budgets of addiction treatment agencies across the state, we respectfully urge the Legislature to **include \$14 million additional SGF dollars in the FY 25/26 state budget to support extending the current Medicaid SUD rate enhancement, and that this funding be made recurring.**



Adopting a sustainable funding model for SUD treatment services will enable Louisiana providers to develop a more reliable workforce, offer quality care, and ultimately save more lives. Research has clearly demonstrated that each dollar invested in SUD treatment yields significant returns in reduced healthcare costs, lower crime rates, and increased productivity in the workforce. However, the broad societal costs of untreated addictions are also clear, and the lack of treatment services due to insufficient state funding would immediately present in the form of increased crime, homelessness, and health care and criminal justice costs.

We urge you to protect addiction treatment services from reductions and support implementing stable, recurring funding which supports the full spectrum of treatment services, ensures equitable access, and improves outcomes for those affected by addiction. Without inclusion of necessary funding, we anticipate there will most certainly be damage and disruption to Louisiana's critical addiction treatment infrastructure.

If CLASPP may ever be helpful or supportive to you as you consider these and other key issues, please let us know. Thank you very kindly.

Sincerely,

William M. "Mike" Martyn, President
Executive Director, Responsibility House

Dr. Emily Tilley, Vice President
Executive Director, O'Brien House

Edward C. Carlson, Secretary/Treasurer
CEO, Odyssey House Louisiana

Barry LaFleur, Member at Large
Clinical Director, Acadiana Cares

Cc: Senate Committee on Finance
House Committee on Appropriations
Drew Maranto, Secretary, Louisiana Department of Health
Karen Stubbs Church, Assistant Secretary, Office of Behavioral Health