










State Funding Resources for Substance Use Disorder Treatment

States have a variety of funding resources to support SUD treatment, but using them strategically can be challenging. This infographic summarizes the major sources of SUD treatment funding for states.

[Get more details about each funding source.](#)



SOURCE	 MEDICAID	 SUBSTANCE USE PREVENTION, TREATMENT, AND RECOVERY SERVICES BLOCK GRANT (SUBG)	 STATE OPIOID RESPONSE (SOR) GRANTS	 LEGAL SETTLEMENTS
Administrator of Funds 	Jointly financed by states and the federal government and administered by states within broad federal rules.	SAMHSA	SAMHSA	Varies by state (see NASHP's State Opioid Settlement Spending Decisions Tracker)
Funds are required or recommended to be used for: 	Federal law requires Medicaid coverage of certain SUD treatment and supportive services for certain populations ¹ and requires coverage of all FDA-approved forms of medications for opioid use disorder. For SUD services not federally required, states have the option to determine what other SUD services will be covered in that state, ideally opting to cover the full continuum of SUD services.	SUD treatment and prevention planning, implementation, and evaluation treatment for people who are un- or under-insured	SUD prevention, treatment, and recovery services	Will vary by state; can fund activities and infrastructure that federal grants cannot. Core abatement strategies of treatment, prevention, harm reduction, and coordination.
Funds cannot be used for: 	Services for people who are not eligible for Medicaid. With exceptions noted below, services in behavioral health facilities with 16+ beds. Services that other available insurance will cover.	Inpatient hospitalization treatment for people who are currently incarcerated. No more than 5% for administration. No less than 20% for primary prevention.	No more than 5% for administration of programs that deny services for people on medications for opioid use disorder.	Must be used to address opioid and SUD-related needs; states can impose further limitations.
Coordination with Medicaid 	N/A	May use to supplement but not supplant Medicaid treatment services, e.g.: Medicaid should be billed first, but SUBG can be used for non-Medicaid covered or limited services, individuals not covered by Medicaid, or insurance cost-sharing. Cannot be used for infrastructure.	May use to supplement but not supplant Medicaid treatment services, e.g., Medicaid should be billed first, but SOR can be used for non-Medicaid covered or limited services.	May be used flexibly to fill gaps in opioid and SUD-related programs and services.
Funding totals 	Varies by state based on covered services and eligible populations	\$2 billion in federal fiscal year (FFY) 2024	\$1.6 billion in FFY 2024	Approximately \$55 billion to states, localities, and Tribes over 18 years

¹ See the section below on Medicaid for additional details about required and optional services.