

Section 1115 Reentry Services Demonstration



CMS Guidance on 1115 Demonstration Opportunity

On April 17, 2023, CMS released a State Medicaid Director Letter (SMDL) that describes a section 1115 demonstration opportunity to support community reentry and improve care transitions for justice-involved populations.

DEPARTMENT OF HEALTH & HUMAN SERVICES enters for Medicare & Medicaid Serv CMS 500 Security Boulevard, Mail Stop: S2-26-12 SMD# 23-003 RE: Opportunities to Test Transition-Related Strategies to Support Community Reentry and Improve Care Transitions for ates that a demonstration that e individuals and does not restri April 17, 2023 promoting the objectives of ribed in this guidance will test re transitions, starting pre-releas Dear State Medicaid Director: ed continuity of care once the The Centers for Medicare & Medicaid Services (CMS) is issuing the following guidance for l likely help these individuals designing demonstration projects under section 1115 of the Social Security Act (the Act) (42 U.S.C. § 1315) to improve care transitions for certain individuals who are soon-to-be former ted care during reentry. inmates of a public institution (hereinafter referred to as incarcerated individuals, except when quoting from statute) and who are otherwise eligible for Medicaid. This letter also provides quidance to interested states about development and submission of the associated section 1115 ls leaving prisons and jails and ising practices described in the RTC uthority to receive FFP for This guidance continues to implement section 5032 of the Substance Use-Disorder Prevention ished to individuals who are that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act) (Pub. L. No. 115-271), Promoting State Innovations to Ease Transitions Integration to the Community for Certain Individuals. As mandated in section 5032, the Department of Health and ditures otherwise would no opportunity to improve care ating in the demonstration will Human Services (HHS) convened a stakeholder group to develop best practices for states to ease health care-related transitions for incarcerated individuals to the community and to develop a ntinuity of care will likely result in this demonstration opportunity will Report to Congress (RTC). On December 1, 2022, HHS transmitted the RTC to Congress.
Additionally, section 5032 directs the Secretary of HHS, through the Administrator of CMS, to portunity" throughout this letter issue this State Medicaid Director Letter (SMDL) regarding opportunities to design demonstration projects under section 1115 of the Act to improve care transitions for incarcerated dividuals exiting a public institution and who are otherwise eligible for Medicaid, and to base s guidance on best practices identified in the RTC ountry in the world.3 On any given 020 or 2021, 1.9 million individuals As provided in section 1115 of the Act, the Secretary of HHS may waive certain provisions of section 1902 of the Act and/or provide authority for federal matching of expenditures that otherwise would not be eligible for federal financial participation (FFP) under section 1903 of cilities for the confinement of over one year in length, or a the Act, where the Secretary determines that the demonstration project is likely to assist in cally hold individuals awaiting trial promoting the objectives of Medicaid. While CMS reviews every section 1115 demonstration iduals were held in federal or state

The SMDL implements Section 5032 of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act, which directed the U.S. Department of Health and Human Services (HHS) to issue guidance on how states can design section 1115 reentry demonstrations to provide services to justice-involved individuals prior to release to support their reentry into the community.

Source: Center for Medicare and Medicaid Services, State Medicaid Director Letter #23-003, "Opportunities to Test Transition-Related Strategies to Support Community Reentry and Improve Care Transitions for Individuals Who are Incarcerated, April 17, 2023, available at https://www.medicaid.gov/federal-policy-guidance/downloads/smd23003.pdf.



Goals of this Demonstration

By working to ensure justice-involved populations have a ready network of health care services and supports upon discharge, under the Reentry Services Demonstration, Michigan expects to achieve the following goals:

- Improve access to services prior to release;
- Improve transitions and continuity of care into the community upon release and during reentry;
- Improve coordination and communication between correctional systems, Medicaid systems,
 Managed care plans, and community-based providers;
- Increase investments in health care and related services to improve the quality of care for beneficiaries in carceral settings and in the community;
- Improve connections between carceral settings and community services upon release to address physical health, behavioral health, and health-related social needs; and
- Reduce post-release acute care utilizations such as emergency department visits and inpatient hospitalizations among recently incarcerated beneficiaries.

Eligible Populations

CMS guidance gives states flexibility to propose a broadly defined Demonstration population that includes otherwise eligible, soon-to-be formerly incarcerated individuals.

Individuals eligible to participate in the proposed Reentry Demonstration will include adults and youth in a state prison, local county jail, or juvenile facilities who would be eligible for full scope Medicaid or CHIP if not for their incarceration status. Eligible individuals must be:

- Adults or youth;
- Eligible for a Medicaid or CHIP eligibility groups that receives full-scope Medicaid or CHIP State
 Plan services

No eligibility changes will be affected by this Demonstration. All full coverage eligibility groups are covered under the waiver. Medically needy groups are not covered. Once fully phased in, it is anticipated that Michigan may provide pre-release services for 7,500 individuals in prisons, 90,000 individuals in local county jails, and 400 juveniles in juvenile facilities annually through this Demonstration.



Eligible Facilities

CMS guidance gives states flexibility to provide coverage of pre-release services in state or local correctional facilities (e.g., state prisons, jails, and/or youth correctional facilities).

Over the five-year Demonstration period, state prisons, local county jails, and juvenile facilities will be considered eligible facilities under the Demonstration.

The Demonstration will be implemented through a phased approach:

- In Phase 1, all state prisons and juvenile facilities that demonstrate readiness, as determined by a readiness assessment to be developed by the State, will participate.
- In Phase 2, local county jails that demonstrate readiness can opt-in to the Demonstration.



Pre-Release Timeframe

CMS guidance gives states the flexibility to provide coverage of pre-release services for up to 90 days before the incarcerated individual's expected date of release.

90-Days Pre-Release

MDHHS is seeking authority to provide a targeted benefit package to eligible individuals in the State's prisons, local county jails, and juvenile facilities for up to 90-days immediately prior to their expected date of release.



Targeted Benefit Package- Required Services

CMS requires states to provide a minimum benefit package of three covered services under the demonstration. In addition, states have flexibility to cover other important physical and behavioral health services that support reentry into the community.

Eligible individuals will have access to the following three services required under CMS' SMDL:

- Case Management under which providers, in collaboration with Community Health
 Workers, will establish client relationships, conduct a needs assessment, develop a
 person-centered care plan, and make appropriate linkages and referrals to post-release
 care and supports.
- Medication for Opioid Use Disorder and Alcohol Use Disorders (AUD), including medication in combination with counseling/behavioral therapies, as clinically appropriate.
- At a Minimum, a 30-Day Supply of Prescription Medication in hand upon release, consistent with Medicaid and CHIP State Plan coverage.



Targeted Benefit Package- Michigan Specific Services

CMS has granted states the flexibility to cover other important physical and behavioral health services that support reentry into the community.

In addition to the required three services, Michigan plans to provide the following additional services to assist in improving care transitions for incarcerated individuals:

- Physical and Behavioral Health Clinical Consultation Services, as medically
 necessary, that are intended to support the creation of a comprehensive, robust, and
 successful reentry plan, such as clinical screenings and pre-release consultations with
 community-based providers.
- Medications and Medication Administration during the pre-release period, as clinically appropriate, consistent with Medicaid State Plan coverage.
- Prescription or Written Order for Durable Medical Equipment in hand upon release, consistent with Medicaid and CHIP State Plan coverage.



Enrollment

The table below provides a summary of the annual estimated number of eligible justice-involved individuals who may receive pre-release services under the Reentry Services Demonstration.

	Estimated Number of Justice-Involved Individuals Affected by Reentry Services Demonstration				
	DY 1	DY 2	DY 3	DY 4	DY 5
	1/1/27 – 12/31/27	1/1/28 – 12/31/28	1/1/29 – 12/31/29	1/1/30 – 12/31/30	1/1/31 – 12/31/31
Justice- Involved Individuals	7,900	7,900	19,463	19,463	19,463



Demonstration Evaluation

Michigan will contract with an independent evaluator to assess the impact of the proposed Reentry Services

Demonstration. Michigan is proposing the following hypotheses:

- The program will increase the eligibility and enrollment of individuals not previously covered and thereby increase coverage and service uptake.
- Increasing physical and behavioral health services prior to release improves transitions and continuity of care following reentry into the community.
- The program will improve coordination between carceral settings and community services
 upon release to address physical health, behavioral health, and health-related social needs.
- The program will provide intervention for certain behavioral health conditions using stabilizing medications and reduce decompensation, suicide, and overdose-related deaths.



Projected 2024 – 2025 Timeline

The tasks noted below are not fully inclusive, they remain high level for the purpose of this discussion.



CMS Application

September 2024 MDHHS submits application to CMS.

Initiate Implementation Planning

September 2024
Begin stakeholder
engagement and begin
and implementation
planning.

Initiate Negotiations

Fall 2024
Begin negotiations
with CMS

Receive CMS Approval Anticipated Summer 2025

Finalize negotiations with CMS and receive approval.

Finalize Implementation Plan

Anticipated
Fall 2025
Finalize and
initiate
implementation
plan.

Demonstration Begins

Anticipated Early 2027
Complete negotiations
with CMS.



Resources

Questions:

mdhhs-engagemedicaid@michigan.gov

Website:

1115 Reentry Services Demonstration (michigan.gov)

