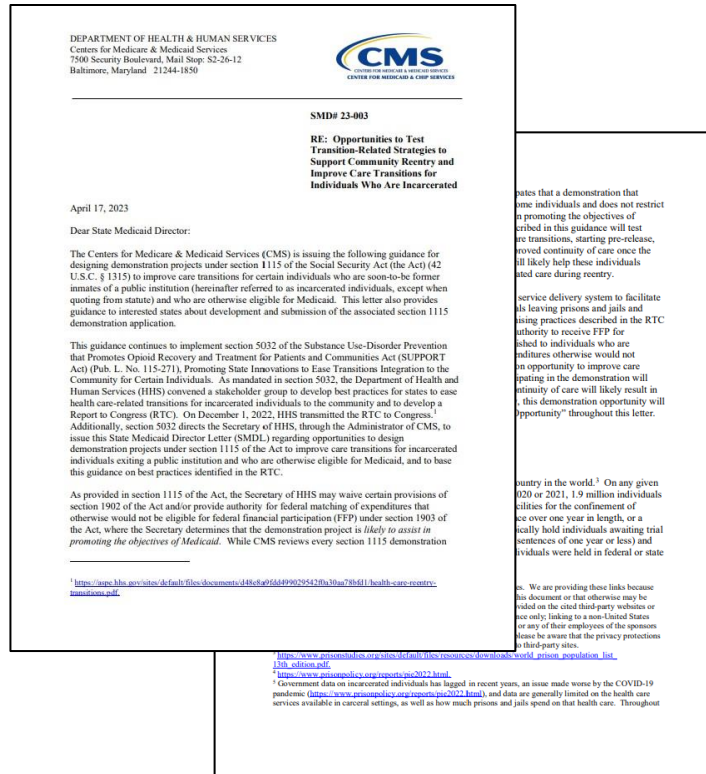




## Section 1115 Reentry Services Demonstration

# 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.



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

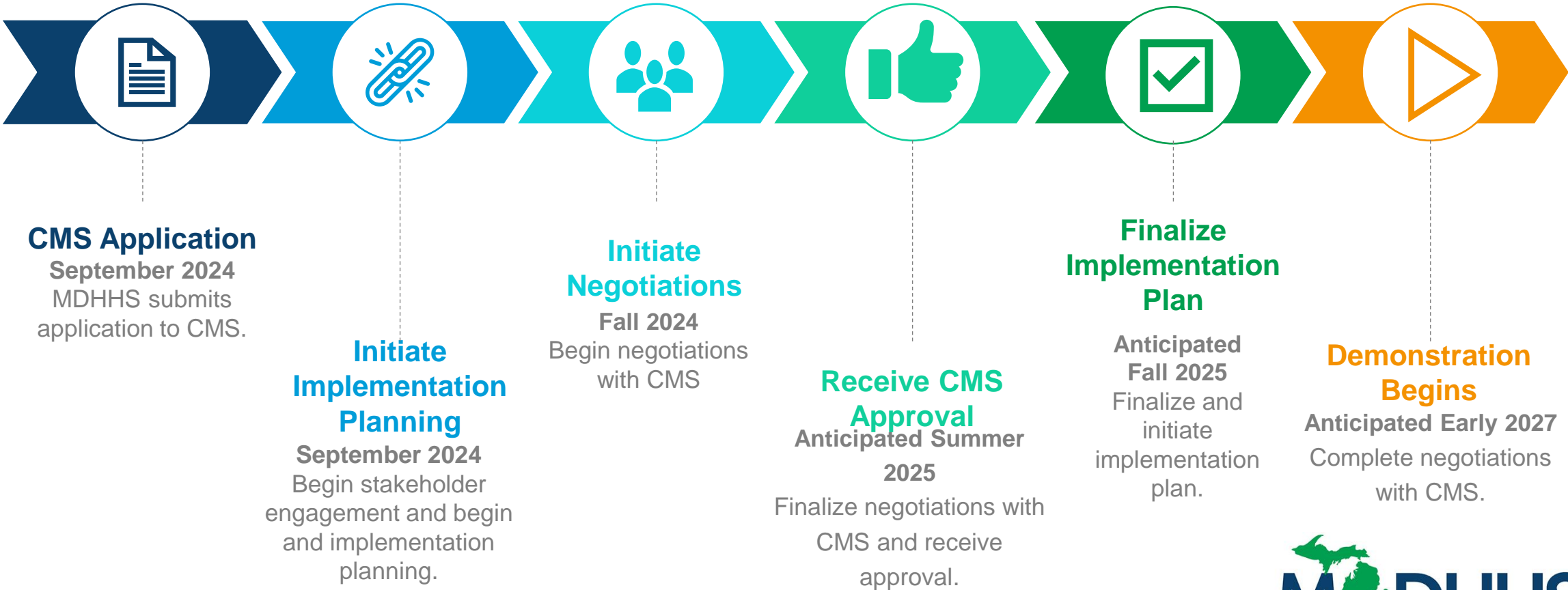
# Demonstration Evaluation

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.



# Resources

Questions:

[mdhhs-engagemedicaid@michigan.gov](mailto:mdhhs-engagemedicaid@michigan.gov)

Website:

[1115 Reentry Services Demonstration \(michigan.gov\)](https://michigan.gov/1115)