

PRA Disclosure Statement: The goal of this voluntary template is to expedite CMS' reviews and approvals of states' requests for approval of Medicaid Section 1115 Reentry Demonstration Initiative applications, and to support state implementation planning and related transparency, as outlined in Application Procedures Part 42 CFR Section 431.412.

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Medicaid Section 1115 Reentry Demonstration Initiative Preprint

The Reentry Section 1115 Demonstration Opportunity permits an approved state to provide coverage for certain demonstration services to incarcerated individuals for up to 90 days prior to an individual's release date, consistent with the statutory directive in section 5032 of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act). The [State Medicaid Director Letter \(SMDL\)](#)¹ for the Reentry Section 1115 Demonstration Opportunity outlines minimum requirements a state must meet to obtain demonstration approval, as well as state flexibilities.

Additionally, [State Health Official Letter \(SHO\) #24-004](#)² describes the mandatory state plan coverage requirements of section 1902(a)(84)(D) and 2102(d)(2) of the Act for eligible juveniles and targeted low-income children that are within 30 days of their scheduled date of release from a public institution following adjudication. These requirements are effective January 1, 2025. As described further in this document in section 11, to the extent there is overlap between this mandatory coverage and the reentry demonstration initiative, CMS can provide the state with a waiver of the otherwise mandatory state plan coverage requirements to permit the state to cover at least the same services for the same individuals under the reentry demonstration initiative.

Use of this preprint is not a substitute for a section 1115 demonstration application and transparency requirements detailed in 42 CFR 431.412 (demonstration application procedures). While CMS will consider each section 1115 demonstration application on its own merits, completing this preprint may help a state further clarify its proposed reentry demonstration design parameters reflected in the state's application for CMS consideration. Completion of this preprint is not an assurance of approval and inclusion of requests that are outside of our current policy framework for reentry demonstration initiatives may delay approval.

Section 1: General Information

1.A. The state of _____ requests approval for a Medicaid/CHIP section 1115 reentry demonstration initiative.

1.B. **Type of Request** (*select only one*):

- ☐ New section 1115 demonstration
- ☐ Extension of section 1115 demonstration
- ☐ Amendment to section 1115 demonstration

1.B.1. If the state is requesting an extension or an amendment, provide the following information:

Demonstration Project Number:

CHIP Project Number (if applicable):

¹ SMD# 23-003, "Opportunities to Test Transition-Related Strategies to Support Community Reentry and Improve Care Transitions for Individuals Who Are Incarcerated," <https://www.medicaid.gov/sites/default/files/2023-12/smd23003.pdf>.

² SHO# 24-004, "Provision of Medicaid and CHIP Services to Incarcerated Youth," see, <https://www.medicaid.gov/federal-policy-guidance/downloads/sho24004.pdf>.

- 1.B.2.** Provide the proposed effective date and implementation date for pre-release services. The proposed implementation date should reflect the latest date that the state will begin providing pre-release services under the reentry demonstration initiative.

Proposed Effective Date:

Proposed Implementation Start Date:

Proposed Date of Full Implementation:

Section 2: Reentry Demonstration Initiative Goals

*CMS expects the reentry demonstration initiative application to address the following goals: 1) **increase coverage, continuity of coverage, and appropriate service uptake** through assessment of eligibility and availability of coverage for benefits in correctional facility settings just prior to release; 2) **improve access to services** prior to release and improve transitions and continuity of care into the community upon release; 3) **improve coordination and communication** between correctional systems, Medicaid and CHIP systems, managed care plans, and community-based providers; 4) **increase additional investments in health care and related services**, aimed at improving the quality of care for individuals in correctional facility settings and in the community to maximize successful reentry post-release; 5) **improve connections between correctional facility settings and community services** upon release to address physical and behavioral health; 6) **reduce all-cause deaths** in the near-term post-release; 7) **reduce the number of emergency department (ED) visits and inpatient hospitalizations** among recently incarcerated Medicaid and CHIP individuals through increased receipt of preventive and routine physical and behavioral health care; and 8) **provide intervention for certain behavioral health conditions** and use stabilizing medications like long-acting injectable antipsychotics and medications for addiction treatment for SUDs, with the goal of reducing overdose and overdose-related death in the near-term post-release.*

- ☐ By checking this box, the state acknowledges having read the summary above and intends to address all eight goals.

If applicable, list any additional goals the state intends to address with the proposed reentry demonstration initiative.

Section 3: Demonstration Design

3.A. Statewide Implementation and Participating Facilities. Select the option that best corresponds with the state's proposal for implementing the reentry demonstration initiative across geographic locations.

- The state intends to implement the reentry demonstration initiative **statewide.**
- The state intends to implement the reentry demonstration initiative on a **non-statewide basis** or within a **specific geographic location(s).** Explain the rationale for implementing less than statewide, which geographic locations will be included, and why the regions were selected in the text box below.

3.A.1. Select the facility type(s) in which the state proposes to implement the reentry demonstration initiative.

- ☐ Jails
- ☐ Prisons
- ☐ Youth correctional facilities
- ☐ Tribal correctional facilities
- ☐ Other, specify:

3.A.2. If the state has state-specific names for the facility types selected in section 3.A.1, provide those state-specific terms below.

3.A.3. If applicable, describe the state's proposal to phase in implementation of the reentry demonstration initiative separately by geography, participating facility, and/or by facility type as selected above.

3.B. Population(s) Covered and Pre-Release Timeframe. Select the populations that the state proposes to cover and provide the proposed pre-release coverage period for each population. Then select whether the state proposes to apply any additional criteria, such as health conditions, and summarize those additional criteria.³

3.B.1. Medicaid-Eligible Adults

☐ The state does not intend to cover this population.

Proposed pre-release coverage period for the adult population:

Proposed population (*Select only one*):

- All Medicaid-eligible **adults** incarcerated in participating facilities with **no additional health or other criteria**.
- All Medicaid-eligible **adults** incarcerated in participating facilities **who meet health-related or other criteria**. Specify the criteria in the text box below.

3.B.2. Medicaid-Eligible Children

☐ The state does not intend to cover this population.

Proposed pre-release coverage period for the child population:

State-defined age for child population:

Proposed population (*Select only one*):

- All Medicaid-eligible **children** (as defined by the state above) incarcerated in participating facilities with **no additional health-related or other criteria**.
- All Medicaid-eligible **children** (as defined by the state above) incarcerated in participating facilities **who meet health-related or other criteria**. Specify the criteria in the text box below.

³ For example, subgroups or specific health or other criteria used to define eligibility for the reentry demonstration initiative may include and are not limited to:

- Subgroups: Aged (age 65 and older), medically fragile, adults with dependent children, individuals with intellectual or developmental disability (I/DD), pregnant or postpartum
- Behavioral health condition: Mental illness, serious mental illness (SMI), serious emotional disturbance (SED), substance use disorder (SUD)
- Chronic condition or disease: Traumatic brain injury (TBI), Hepatitis C, HIV/AIDS, chronic obstructive pulmonary disease (COPD), diabetes, sickle cell disease

3.B.3. Children's Health Insurance Program (CHIP)-Eligible Individuals

The state does not intend to cover this population.

The state has Medicaid-CHIP (M-CHIP) and is covering this population in the reentry demonstration initiative.

The state has Separate-CHIP (S-CHIP) and is covering this population in the reentry demonstration initiative.

The state has a combination of M-CHIP and S-CHIP and is covering both populations in the reentry demonstration initiative.

Please complete the below section if covering an S-CHIP population. Skip to prompt 3.B.4. if the state is not covering S-CHIP.

Proposed pre-release coverage period for the S-CHIP-eligible population:

Proposed population (*Select only one*):

- All S-CHIP-eligible individuals incarcerated in participating facilities with **no additional health-related or other criteria**.
- All S-CHIP-eligible individuals incarcerated in participating facilities **who meet health-related or other criteria**. Specify the criteria in the text box below.

3.B.4. If the state selected "Other" for the proposed pre-release coverage period(s) in prompts 3.B.1. through 3.B.3., or has any other details to share on the state's proposed covered population(s) (for example, how the state proposes identifying these sub-populations and defining needs criteria), please specify in the text box below.

3.C. Scope of the Pre-Release Services

3.C.1. Per SMDL #23-003, CMS expects that states offer the following minimum set of services in any facility that participates in the reentry demonstration initiative: 1) **case management** to assess and address physical, behavioral, and any health-related social needs (HRSN), as applicable; 2) **medication assisted treatment (MAT) services** for all types of substance use disorder (SUD) as clinically appropriate, including coverage for all Food and Drug Administration (FDA) approved medications, with accompanying counseling; and 3) **a 30-day supply of all prescription medications** including prescribed over-the-counter drugs (OTC)⁴ (as clinically appropriate), provided to the individual immediately upon release from the correctional facility, consistent with approved Medicaid or CHIP state plan coverage authority and policy.^{5,6}

☐ By checking this box, the state acknowledges having read the summary above.

3.C.2. Does the state intend to provide the expected minimum set of services listed above?

- ☐ Yes
- ☐ No, explain rationale in the text box below.

3.C.3. To the extent the state chooses to provide prescribed drug coverage under demonstration authority in a manner that would provide less coverage for prescribed drugs than under the optional Medicaid benefit described at section 1905(a)(12), consistent with sections 1902(a)(54) and 1927 (the Medicaid Drug Rebate Program), the state may not seek federal nor supplemental state specific rebates under section 1927 of the Act for any of the prerelease drugs provided under the demonstration. This would apply to MAT drugs and (as clinically appropriate based on the medication dispensed and the indication), if those drugs are covered through the reentry demonstration initiative, as well any additional pre-release covered outpatient drugs, such as hepatitis C drugs. Therefore, in order for states to be permitted under this demonstration opportunity to seek rebates, they must include all covered outpatient drugs pre-release and meet the Medicaid Drug Rebate program section 1927 requirements.

☐ By checking this box, the state acknowledges having read the summary above.

⁴ OTC as covered under the prescribed drug benefit.

⁵ SMDL #23-003, p. 17.

⁶ Expenditures for the 30-day supply of prescription medication should not be included in the per-member per-month (PMPM) amount for pre-release services. CMS considers this benefit a Medicaid-covered expenditure as it is provided *upon* release rather than during an individual's incarceration.

3.C.4. Select the checkboxes associated with the additional services⁷ the state proposes to provide under the reentry demonstration initiative. Any pre-release services requested in the “other” category should reflect the needs of the carceral populations and the carceral settings served through this demonstration. Also, provide proposed service definitions for the selected services in prompt 3.C.5. Please note that upon CMS approval of a reentry demonstration, CMS will require the state to define the 1905(a) benefits associated with the below services in a reentry implementation plan.

- ☐ Practitioner office visit (e.g., physical exam; wellness exam; evaluation and management visit; mental health or substance use disorder treatment, therapy, or counseling; or other)
- ☐ Diagnostic services, including laboratory and radiology services
- ☐ Prescribed drugs (in addition to MAT and the 30-day supply of prescription medications) and medication administration
- ☐ Treatment for Hepatitis C
- ☐ Treatment for Human Immunodeficiency Virus (HIV)
- ☐ Treatment for Tuberculosis (TB)
- ☐ Treatment for other conditions
- ☐ Medical equipment and supplies
- ☐ Family planning services and supplies
- ☐ Services provided by community health workers
- ☐ Peer support services
- ☐ Other, *specify*:

⁷ States requesting to add pre-release services beyond the expected minimum set of services should base these additional services on the needs of the carceral populations they are proposing to serve and the carceral settings included in the demonstration. Such services would be otherwise coverable state plan services, if not for the inmate payment exclusion.

3.C.5. Service Definitions. Please provide the state’s proposed service definitions for the three services that comprise the minimum set of services and any pre-release services selected in prompt 3.C.4. Please note that CMS expects states to define the 1905(a) benefits associated with the selected services in a reentry demonstration initiative implementation plan.

Covered Service	Definition
Case Management	
Medication Assisted Treatment (MAT) Services	
30-day Supply of Prescription Medications	
Practitioner Office Visit	
Diagnostic services	
Prescribed Drugs and Medication Administration	
Treatment for Hepatitis C	
Treatment for HIV	
Treatment for TB	
Treatment for Other Conditions	
Medical Equipment and Supplies	
Family Planning Services and Supplies	
Services Provided by Community Health Workers	
Peer Support Services	
Other (specify)	

3.C.6. Does the state intend to vary coverage of any additional service(s) to specific populations or facility types?

- No
- Yes, indicate which services and explain rationale in the text box below.

3.C.7. If applicable, describe the state's proposal to phase in provision of services beyond the expected minimum set of services.⁸

3.C.8. If applicable, and if the state proposes to implement pre-release services via structured tiers, rather than providing all pre-release services in each participating facility, the state must require participating facilities to select a service level for implementation. Service level one is the expected minimum set of services. The state may define additional service level categories in its implementation plan. A facility must implement all the services within its chosen service level. As applicable, additional service levels may be phased-in by facilities in any order, e.g., service level two would not be a prerequisite for phasing-in service level three.

- Yes, the state will implement pre-release services using a service level approach.
- No, this is not applicable.

⁸ Setting aside the minimum set of services, which must be provided for a facility to begin implementation, if a facility is not equipped to provide or facilitate all of the additional pre-release services included in the state's demonstration, the facility must provide a timeline of when it will be equipped to do so, including concrete steps and their anticipated completion dates that will be necessary to ensure that qualifying individuals are able to receive timely pre-release services that are needed. If the state is implementing pre-release services via structured tiers, rather than providing all pre-release services in each participating facility, the state will require participating facilities to select a Services Level for implementation. Service Level One is the expected minimum set of services. The state may define additional Service Level categories in its Implementation Plan. A facility must implement all the services within its chosen Service Level. As applicable, additional service levels may be phased-in by facilities in any order, e.g., Service Level Two would not be a prerequisite for phasing-in Service Level Three. The state may also phase-in services by population or by medical condition.

Section 4: Medicaid/CHIP Eligibility and Enrollment Policy

Select the option that corresponds to the state's policy to suspend Medicaid/CHIP eligibility during incarceration:

- The state **currently has** a policy to suspend rather than terminate benefits.
- The state intends to **implement** a policy to suspend and not terminate eligibility, with a glide path of up to two years from approval to implement. *If selected, indicate the anticipated effective date of this policy:*

Section 5: Participating Providers

CMS expects providers delivering pre-release services to participants in the reentry demonstration initiative to meet the following requirements: 1) licensed and credentialed providers that are enrolled shall provide services within their individual scope of practice and, as applicable, receive supervision required under their scope of practice laws; 2) providers may be either community-based or correctional-facility based; 3) providers and staff must have necessary experience and training prior to furnishing demonstration-covered pre-release services outlined in section 3.C.; and 4) providers of case management must have expertise working with justice-involved individuals.

- ☐ By checking this box, the state acknowledges having read the summary above.

5.A. Please describe below any limiting criteria the state intends to use for selecting participating providers to deliver pre-release services.

5.B. Will the state provide pre-release services through a fee-for-service delivery system or through managed care?

- ☐ Fee-for-service
- ☐ Managed care

Section 6: Monitoring and Evaluation

CMS expects a state with an approved reentry section 1115 demonstration to submit an implementation plan, a monitoring protocol, monitoring reports, a mid-point assessment, an evaluation design, and interim/summative evaluation reports. States with an approved reentry section 1115 demonstration will be expected to complete all implementation activities necessary to achieve the milestones discussed in the SMDL and included in the approved Special Terms and Conditions (STC) governing the demonstration. The monitoring and evaluation expectations will align with the goals and milestones of the approved demonstration, including state-specific policy nuances that the state requests and CMS approves.

Evaluation of these demonstrations must be designed to examine whether the initiative expands Medicaid coverage through increased enrollment of eligible individuals, and efficient high-quality pre-release services that promote continuity of care into the community post-release. In addition, the evaluation hypotheses must focus on, but is not limited to: cross-system communication and coordination; connections between correctional and community services; access to and quality of care in correctional and community settings; preventive and routine physical and behavioral health care utilization; non-emergent emergency department visits and inpatient hospitalizations; and all-cause deaths.

☐ By checking this box, the state acknowledges having read the summary above.

6.A. Please note that per the SMDL, states approved to provide greater than 30 days pre-release services (up to 90 days) must propose hypotheses around the extended pre-release timeframe within the Evaluation Design. If the proposed pre-release coverage is beyond the minimum 30-day period for any covered population, the state is expected to evaluate the relationship between offering pre-release coverage for more than 30 days and salient post-release outcomes measures. CMS expects that these outcome measures include: utilization of acute care services for chronic and other serious conditions, overdose, and overdose- and suicide-related and all-cause deaths in the period soon after release. Select the option that applies to the state's request:

- ☐ The state is requesting approval for 30 days pre-release services.
- ☐ The state is requesting approval for more than 30 days pre-release services and intends to evaluate the above outcome measures.
- ☐ The state is requesting approval for more than 30 days pre-release services and proposes to evaluate an alternative set of outcome measures described in the textbox below:

Section 7: Funding for Transitional, Non-Service Expenditures

States may face significant upfront or one-time non-service costs needed to support necessary changes required by states, correctional facilities, and health care providers to implement and expand service provision and coordination with community providers, to support the implementation of the demonstration. Below are types of expenditures that CMS would consider for federal financial participation (FFP) authorized through a reentry demonstration initiative; CMS intends that such FFP would be for new spending only.

7.A.1. IT System and Non-Service Expenditures. Select the option(s) that correspond with any expenditures applicable to the state's intention to request funding for Planning and Implementation. Such expenditures would support planning and implementation as follows with further description in the implementation protocol within the following categories:

- ☐ **Technology and IT Services.** Such expenditures would support the purchase of technology for Qualified Applicants⁹ which would be used for assisting the reentry demonstration initiative population with Medicaid/CHIP application and enrollment for demonstration coverage (e.g., for individuals who would be eligible for CHIP but for their incarceration status) and coordinating pre-release and post-release services for enrollees. This could include the development of electronic interfaces for prisons, jails, and youth correctional facilities to communicate with Medicaid/CHIP IT systems to support Medicaid/CHIP enrollment and suspension/unsuspension and modifications. This could also include support to modify and enhance existing IT systems to create and improve data exchange and linkages with correctional facilities, local county social services departments, county behavioral health agencies, and others, such as managed care plans and community-based providers, in order to support the provision of pre-release services delivered in the period up to 90 days immediately prior to the expected date of release and reentry planning.
- ☐ **Hiring of Staff and Training.** Such expenditures could support Qualified Applicants to recruit, hire, onboard, and train additional and newly assigned staff to assist with the coordination of Medicaid/CHIP enrollment and suspension/unsuspension, as well as the provision of pre-release services in a period for up to 90 days immediately prior to the expected date of release and for care coordination to support reentry for justice-involved individuals. These expenditures could also support training for staff of Qualified Applicants focused on working effectively and appropriately with justice-involved individuals.
- ☐ **Adoption of Certified Electronic Health Record Technology.** Such expenditures would support providers' purchase or necessary upgrades of certified electronic health record (EHR) technology and training for the staff that would use the EHR.
- ☐ **Purchase of Billing Systems.** Such expenditures would support the purchase of billing systems for Qualified Applicants.
- ☐ **Development of Protocols and Procedures.** Such expenditures would support the specification of steps to be taken in preparation for and execution of the Medicaid/CHIP enrollment process and suspension/unsuspension process for eligible individuals and coordination of a period for up to 90 days immediately prior to the expected date of release and reentry planning services for individuals qualifying for reentry demonstration initiative services.

⁹ Qualified Applicants for the Reentry Demonstration Initiative Planning and Implementation Program will include the State Medicaid Agency, correctional facilities, other state agencies supporting carceral health, probation offices, and other entities as relevant to the needs of justice-involved individuals, including health care providers, and as approved by the state Medicaid agency.

- **Additional Activities to Promote Collaboration.** Such expenditures would support additional activities that are intended to advance collaboration among the state’s correctional institutions (county jails, youth correctional facilities, and state prisons), correctional agencies (e.g., State Department of Corrections, Sheriff’s Offices, Probation Offices, etc.), local county social services departments, county behavioral health agencies, managed care plans, community-based providers and others involved in supporting and planning for the reentry demonstration initiative. This could include conferences and meetings convened with the agencies, organizations, and stakeholders involved in the initiative.
- **Planning.** Such expenditures would support planning to focus on developing processes and information sharing protocols for: (1) identifying uninsured who are potentially eligible for Medicaid/CHIP; (2) assisting with the completion of an application; (3) submitting an application to the county social services department or coordinating suspension/unsuspension; (4) screening for eligibility for pre-release services and reentry planning in a period for up to 90 days immediately prior to the expected date of release; (5) delivering necessary services to eligible individuals in a period for up to 90 days immediately prior to the expected date of release and care coordination to support reentry; and (6) establishing ongoing oversight and monitoring process upon implementation.
- **Other Activities** to support a milieu appropriate for provision of pre-release services. Such expenditures would support providing a milieu appropriate for pre-release services in a period for up to 90 days immediately prior to the expected date of release, including accommodations for private space such as movable screen walls, desks, and chairs, to conduct assessments and interviews within correctional institutions, and support for installation of audio-visual equipment or other technology to support provision of pre-release services delivered via telehealth in a period for up to 90 days immediately prior to the expected date of release and care coordination to support reentry. Such expenditures could not include building, construction, or refurbishment of correctional facilities.

7.A.2. If the state intends to incorporate additional activities not captured in prompt 7.A.1., please provide this information in the text box below.

States may also receive FFP for designated state health programs (DSHP) to finance new initiatives under the reentry demonstration initiative. To be eligible, a state would need budget neutrality (BN) savings to offset DSHP expenditure authority. If a state is interested in pursuing DSHP to finance new initiatives under a reentry demonstration initiative, please complete prompt 7.B.

7.B. Designated State Health Programs. Indicate whether the state is requesting FFP for a designated state health program (DSHP) to support the reentry demonstration initiative.¹⁰

- ☐ No
- ☐ Yes, indicate the approximate amount of funding and the programs for which the state intends to request FFP. Describe how the state intends to use the DSHP funds to support the reentry initiative.

Section 8: Budget Neutrality

CMS will not approve a demonstration project under section 1115 of the Social Security Act unless the project is expected to be budget neutral to the federal government. A budget neutral demonstration project does not result in Medicaid costs to the federal government that are greater than what the federal government's Medicaid costs would likely have been absent the demonstration.¹¹ CMS expects the state to submit budget neutrality data, which is intended to capture financial projections for the demonstration for CMS to complete a budget neutrality assessment. After approval the state must submit quarterly/annual budget neutrality monitoring reports consistent with typical expectations and requirements for a section 1115 demonstration project.

- ☐ By checking this box, the state acknowledges having read the summary above.

8.A. Please check the box below to acknowledge the following:

- ☐ The state has completed the reentry budget neutrality formulation workbook.

¹⁰ In order for CMS to approve a state's DSHP request for the reentry demonstration initiative, the request must have been included in the application formally submitted to CMS.

¹¹ States may wish to review recent demonstration approvals for an explanation of specific budget neutrality considerations. While CMS reviews each demonstration application individually, these approvals may be helpful reference documents. See: <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/nh-sud-treatment-recovery-access-ext-appvl-06162024.pdf>.

Section 9: CHIP Allotment for the S-CHIP Population

Under this amendment, the state will be subject to a limit on the amount of federal title XXI funding that the state may receive on allowable demonstration expenditures during the demonstration period. CMS has long required, as a condition of demonstration approval, that demonstrations be “allotment neutral,” meaning the federal title XXI funds for the state’s S-CHIP program are restricted to the state’s available allotment and reallocated funds. The state is eligible to receive title XXI funds for allowable title XXI demonstration expenditures, up to the amount of its title XXI allotment. Title XXI funds must be first used to fully fund costs associated with S-CHIP state plan populations. The demonstration expenditures are limited to remaining funds. In requiring demonstrations to be allotment neutral, CMS is constantly striving to achieve a balance between its interest in preserving the fiscal integrity of the S-CHIP program and its interest in facilitating state innovation and coverage through section 1115 demonstration approvals.

☐ By checking this box, the state acknowledges having read the summary above.

9.A. If the state indicated that it intends to cover the S-CHIP-eligible population in prompt 3.B.3., please check the box below to acknowledge the following:

- ☐ The state intends that title XXI funds (i.e., the allotment or reallocated funds) will first be used to fully fund costs associated with the S-CHIP state plan populations. Demonstration expenditures for providing services under the reentry demonstration initiative are limited to remaining funds.

9.B. Please provide the projected enrollment for S-CHIP individuals that will receive pre-release services and the per member per month (PMPM) rate.

Projected Enrollment:

PMPM Rate:

Section 10: Reinvestment Plan

CMS does not expect to approve state proposals for federal Medicaid matching funds for any existing carceral health care services that are currently funded unless the state agrees to reinvest the total amount of federal matching funds received for such services under the demonstration into activities and/or initiatives that increase access to and/or improve the quality of health care services and resources for individuals who are incarcerated and those who are soon to be released from carceral settings, and not supplant existing spending on such services and resources.

Interested states should expect to develop and submit as part of their implementation plan a reinvestment plan for CMS review and approval outlining how the funds will be reinvested.¹² See pages 32-33 of the SMDL for information about reinvestment plan requirements.

- ☐ By checking this box, the state acknowledges having read the summary above.

Indicate whether the state will submit a reinvestment plan for any federal Medicaid matching funds that will support carceral health care services that are currently funded.

- The state **does not intend to use** any federal Medicaid matching funds to support existing carceral health care services that are currently funded and **will not submit** a reinvestment plan.
- The state **intends to use** federal Medicaid matching funds to support existing carceral health care services that are currently funded and if approved, **will submit** a reinvestment plan as required. Specify the services in the text box below.

Section 11: Interaction with Mandatory State Plan Benefits for Eligible Juveniles and Targeted Low-Income Children

Section 5121 of the Consolidated Appropriations Act, 2023 (CAA, 2023; P.L. 117-328) amends the Social Security Act (the Act) and describes a mandatory population (post-adjudication eligible juveniles and targeted low-income children in CHIP) and set of pre-release and post-release services.¹³ Every state is required to submit Medicaid and CHIP State Plan Amendments (SPAs) attesting to meeting the requirements in Section 5121 beginning January 1, 2025.

¹² While CMS reviews each demonstration application individually, approvals may be helpful reference documents. For an example approved reinvestment plan, see: <https://www.dhcs.ca.gov/provgovpart/Documents/California-Reentry-Demonstration-Initiative-Amendment-Approval.pdf>.

¹³ Section 5121 of the CAA, 2023 creates a new mandate in Medicaid for states, effective January 1, 2025, by amending section 1902(a)(84) of the Act (42 U.S.C. 1396a) to require states to provide specific screening and diagnostic services and targeted case management (including referrals) in the 30 days prior to release from incarceration, and targeted case management (including referrals) for at least 30 days post release for eligible juveniles post adjudication. In instances where that is not possible, the statute also allows that such screening and diagnostic services may be provided not later than one week, or as soon as practicable, after release from the public institution. Please see [State Health Official Letter \(SHO\) #24-004](#) for more information. Targeted case management is described at 42 CFR 440.169.

To the extent there is overlap between the services required to be covered under section 1902(a)(84)(D) and 2102(d)(2) of the Act and coverage under this demonstration, CMS understands that it would be administratively burdensome for a state to identify whether each individual service is furnished to a beneficiary under the state plan or demonstration authority. Accordingly, to eliminate unnecessary administrative burden and ease implementation of statutorily required coverage and this demonstration, CMS can provide the state with a waiver of the otherwise mandatory state plan coverage requirements to permit the state instead to cover at least the same services for the same beneficiaries under this demonstration. This approach could ease implementation, administration, and claiming, and provide a more coherent approach to monitoring, and evaluation of the state's reentry coverage under the demonstration.

CMS expects that the state will provide coverage under the reentry demonstration initiative to eligible juveniles described in section 1902(nn)(2) in alignment with section 1902(a)(84)(D) of the Act, as well as targeted low-income children described in section 2102(d)(2) in alignment with that provision, if applicable, to the degree that there is overlap with the reentry demonstration initiative. Compliance and state plan submission requirements under Section 5121 of the CAA, 2023 will remain unchanged. Coverage of the population and benefits identified in sections 1902(a)(84)(D) of the Act and 2102(d)(2), as applicable, would automatically revert to state plan coverage in the event that this demonstration ends or eliminates coverage of beneficiaries and/or services specified in those provisions.

- ☐ By checking this box, the state acknowledges having read the summary above and is requesting waivers of the required state plan coverage for eligible juveniles and targeted low-income children and will *fully* include these populations and services under the state's reentry demonstration initiative.

Under this option, the state will provide all statutorily required services — including targeted case management¹⁴ and screening and diagnostic services for Medicaid eligible individuals and screening, diagnostic, and case management services otherwise available under the CHIP state plan for CHIP eligible individuals — to all individuals under 21 years of age who have been determined eligible for Medicaid, or who have been determined eligible for CHIP to the extent the pre-release services are otherwise covered under the CHIP state plan, as well as individuals ages 18 to 26 who have been determined eligible for the mandatory eligibility group for former foster care children. These services will be provided in all state prisons, local jails, tribal jails and prisons (if applicable), and all juvenile detention and youth correctional facilities in the state. The state will claim for all of these services as demonstration-covered expenditures.

¹⁴ Case management services that are compliant with this mandatory state plan coverage may be defined as, 1) conducting follow-up with community-based providers to ensure engagement was made with individual and community based providers as soon as possible and no later than 30 days from release; and 2) conducting follow up with the individual to ensure engagement with community-based providers, behavioral health services, and other aspects of discharge/reentry planning, as necessary, no later than 30 days from release.

- ☐ By checking this box, the state acknowledges having read the summary above and is requesting waivers of the required state plan coverage for eligible juveniles and targeted low-income children and will *partially* include this population under the state's reentry demonstration initiative.

Under this option, the state will provide (1) all statutorily required pre-release services to a subset of eligible juveniles and targeted low-income children; (2) a subset of statutorily required pre-release services to all eligible juveniles and targeted low-income children; or (3) a subset of statutorily required pre-release services to a subset of eligible juveniles and targeted low-income children. These services may be provided in a subset of state prisons, local jails, tribal jails and prisons (if applicable), or juvenile detention or youth correctional facilities in the state. The state will claim for the overlapping services furnished to overlapping beneficiaries as demonstration-covered expenditures. The state will claim for the statutorily required services furnished to statutorily required beneficiaries that are not included in the demonstration as state plan expenditures.

- ☐ By checking this box, the state acknowledges having read the summary above and is *not* requesting waivers of the required state plan coverage for eligible juveniles and targeted low-income children.

Under this option, the state will separately meet state plan requirements and will not claim as a demonstration-covered expenditure the statutorily required services provided to individuals under 21 years of age who have been determined eligible for Medicaid or CHIP, nor individuals ages 18 to 26 who have been determined eligible for the mandatory eligibility group for former foster care children.

Section 12: State Contact and Signature

State Medicaid Director Name: _____

Telephone Number: _____

E-mail Address: _____

State Lead Contact for Demonstration Application: _____

Telephone Number: _____

E-mail Address: _____

Authorizing Official (typed): _____

Authorizing Official (signature): _____

Date: _____