

Waiver Public Notice

Michigan Department of Health and Human Services Behavioral and Physical Health and Aging Services Administration

Section 1115 Reentry Services Demonstration New Request

In accordance with 42 CFR § 431.408, the Michigan Department of Health and Human Services (MDHHS) is providing public notice of its intent to submit an application to the Centers for Medicare and Medicaid Services (CMS) under Section 1115 of the Social Security Act. MDHHS is seeking approval from CMS for a five-year Section 1115 Reentry Services Demonstration for Medicaid coverage of certain pre-release services for adults and youth transitioning from correctional facilities into the community. The anticipated effective date for the new Section 1115 Reentry Services Demonstration is January 1, 2027.

The complete application and attachments are available at www.michigan.gov/mdhhs >> Assistance Programs >> Medicaid >> Program Resources >> Medicaid Waivers >> Section 1115 Reentry Services Demonstration. Additionally, paper copies are available at the Bureau of Medicaid Policy, Operations and Actuarial Services located in the Capitol Commons Center, 400 S. Pine St., Lansing, MI 48913

Demonstration Description & Goals

The goal of the Demonstration is to improve care for adults and youth transitioning from correctional facilities into the community. Michigan plans to leverage existing reentry efforts and expand services to enhance continuity of care. Currently, during the pre-release period there is limited coverage of State Plan benefits (i.e., inpatient services only). This new opportunity grants states the flexibility to provide coverage for certain pre-release services furnished to individuals who are incarcerated in state and/or local jails, prisons, and juvenile facilities and who are returning to the community.

Under the Reentry Services Demonstration, Medicaid eligible members will receive access to a targeted benefit package up to 90-days prior to their expected release from an eligible correctional facility. The benefit package includes case management to address physical health, behavioral health, and health related social needs; medication assisted treatment (MAT) for substance use disorders (SUD) as clinically appropriate; and at minimum, a 30-day supply of prescription medications in-hand upon release, as clinically appropriate. Michigan is also requesting authorization for additional services to assist in improving care transitions, including physical and behavioral health clinical consultation services to support the creation of a comprehensive, robust, and successful reentry plan; medication and medication administration services up to 90-days pre-release, as clinically appropriate; and if applicable, a prescription/written order for durable medical equipment (DME) in hand upon release.

The Reentry Services Demonstration seeks to strengthen connections across Medicaid, carceral settings, health and social services agencies, community-based providers, and other entities to promote the health and wellbeing of justice-involved individuals and support their successful reentry into the community.

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.

Eligibility

Individuals eligible to participate in the proposed Reentry Services Demonstration will include adults and youth in a state prison, local county jail, or juvenile facilities who are within 90-days of being released from an eligible correctional facility and would be eligible for full scope Medicaid or Children’s Health Insurance Program (CHIP) if not for their incarceration status.

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.

Enrollment, Fiscal Projections, and Budget Neutrality

This section describes the projected enrollment, estimated expenditures, and budget neutrality considerations associated with the proposed Demonstration. Michigan is working with actuarial partners and contractor to document the full budget neutrality and projected expenditure process using the CMS-published budget neutrality template.

Michigan has summarized in the tables below the estimated enrollment and projected expenditures for the new Demonstration.

Enrollment

Table 1 provides a summary of the annual estimated number of eligible justice-involved individuals who may receive pre-release services under the Reentry Services Demonstration.

Table 1. Estimated Justice-Involved Individuals Under 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

Expenditures

Table 2 provides a summary of annual projected computable expenditures under the Reentry Services Demonstration. The projected expenditures include estimated costs related to reentry services for eligible justice-involved individuals up to 90-days prior to release from a correctional facility. To support implementation of the reentry initiative, Michigan is requesting capacity building funds (amount yet to be determined). Capacity building funds, if secured, will be available to provide start-up funding to correctional facilities and implementing partners for the planning and implementation of reentry services.

Table 2. Projected Computable Expenditures Under Reentry Services Demonstration

	Projected Total Computable Expenditures				
	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 Reentry Services	\$5,290,254	\$5,555,050	\$14,369,737	\$15,088,224	\$15,842,635
Justice-Involved Capacity Building Funds	TBD	TBD	TBD	TBD	TBD

Budget Neutrality

The Demonstration is expected to be budget neutral as evaluated by CMS. Budget neutrality will align with projected expenditures for the Reentry Services Demonstration.

Demonstration Benefits and Cost Sharing

Benefits

This new Reentry Services Demonstration will provide eligible beneficiaries with access to pre-release services, beginning up to 90-days prior to release from an

eligible participating correctional facility. Eligible individuals will have access to the following services, consistent with Medicaid and CHIP State Plan coverages:

- Case Management
- Medication Assist Treatment (MAT), for Opioid Use Disorders (OUD) and Alcohol Use Disorders (AUD).
- At a Minimum, a 30-Day Supply of Prescription Medication, As Clinically Appropriate

In addition to the above three services, Michigan plans to provide the following additional services, consistent with Medicaid and CHIP State Plan coverages:

- Physical and Behavioral Health Clinical Consultation Services
- Medications and Medication Administration, As Clinically Appropriate
- Prescription or Written Order for DME, In Hand Upon Release

Cost Sharing

Cost sharing will not be imposed on the services authorized under the Demonstration.

Delivery System

There are no changes to Michigan’s delivery system proposed under this Demonstration. Pre-release services will be reimbursed on a fee-for-service basis.

Hypotheses & Evaluation

Michigan will contract with an independent evaluator to assess the impact of the proposed Reentry Services Demonstration. Michigan is proposing the hypotheses, evaluation approach, and data sources outlined in Table 3 below to include as part of its evaluation design.

Table 3. Proposed Evaluation Hypotheses, Approach, and Data Sources

Hypotheses	Evaluation Approach	Data Sources
The program will increase the eligibility and enrollment of individuals not previously covered and thereby increase coverage and service uptake.	Does the proportion of new individuals assessed demonstrate an increased number of eligible beneficiaries receiving coverage of Medicaid services?	<ul style="list-style-type: none"> • Medicaid eligibility and enrollment
Increasing physical and behavioral health services prior to release improve transitions and continuity of care following reentry into the community.	Is there an increase in the number individuals receiving physical and behavioral health care services in the community following release?	<ul style="list-style-type: none"> • Medicaid claims data • Managed care data
The program will improve coordination between	Does the improved coordination between	<ul style="list-style-type: none"> • Correctional records • Medicaid claims data

Hypotheses	Evaluation Approach	Data Sources
carceral settings and community services upon release to address physical health, behavioral health, and health-related social needs.	carceral and community providers lead to an increased uptake in services and result in fewer emergency department and inpatient hospital visits for the population?	<ul style="list-style-type: none"> Managed care data
The program will provide intervention for certain behavioral health conditions using stabilizing medications and reduce decompensation, suicide, and overdose-related deaths.	Does an increase intervention for certain behavioral health conditions result in greater positive health outcomes and fewer suicide and overdose-related deaths?	<ul style="list-style-type: none"> Medicaid claims data Managed care data Community Mental Health data and surveys

These hypotheses and plan are subject to change and will be further defined as Michigan works with CMS to develop an evaluation design consistent with the Special Terms and Conditions (STCs) and CMS policy.

Waiver & Expenditure Authority

MDHHS is seeking waiver and expenditure authority under the proposed Reentry Services Demonstration. Table 4 outlines the proposed waiver authorities to be requested and Table 5 and Table 6 outlines the proposed Title XIX and Title XXI expenditure authorities to be requested.

Table 4. Proposed Waiver Authorities

Waiver Authority	Use for Authority
Statewideness: <i>Section 1902(a)(1)</i>	To enable the state to provide pre-release services, as described in this application, to qualifying beneficiaries on a geographically limited basis.
Freedom of Choice: <i>Section 1902(a)(23)(A)</i>	To enable the state to require qualifying beneficiaries to receive pre-release services, as described in this application, through only certain providers.
Amount, Duration, and Scope of Services: <i>Section 1902(a)(10)(B)</i> Comparability: <i>Section 1902(a)(17)</i>	To enable the state to provide only a limited set of pre-release services, as described in this application, to qualifying beneficiaries that is different than the services available to all other beneficiaries outside of carceral settings in the same eligibility groups

	authorized under the state plan or the demonstration.
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Table 5. Proposed Title XIX Expenditure Authorities

Title XIX Expenditure Authority	Use for Authority
Expenditures for Related to Pre-Release Services	Expenditures for pre-release services, as described in this application, provided to qualifying Medicaid beneficiaries and beneficiaries who would be eligible for CHIP if not for their incarceration status, for up to 90-days immediately prior to the expected date of release from a participating state prison, county jail, or youth correctional facility.
Expenditures for Building Capacity of Pre-Release Supports Through an Approved Reinvestment Plan	For costs not otherwise matchable related to a variety of activities necessary to support successful transitions from a carceral facility into the community. The activities will include pre-release readiness assessments, improving the eligibility process, education and training, linking Electronic Health Records, and other activities to be submitted in the Implementation Plan and Reinvestment Plan.

Table 6. Proposed Title XXI Expenditure Authorities

Title XIX Expenditure Authority	Use for Authority
Expenditures for Related to Pre-Release Services	Expenditures for pre-release services, as described in this application, provided to qualifying demonstration beneficiaries who would be eligible for CHIP if not for their incarceration status, for up to 90-days immediately prior to the expected date of release from a participating state prison, county jail, or youth correctional facility.

Public Hearings

MDHHS will host two hearings at which the public may provide comments.

Public Hearing #1	
Date	Friday, July 12, 2024
Time	12:00pm - 2:00pm
Venue	Virtual Session Link to online access available upon registration.
Hearing Link	https://somedhhs.adobeconnect.com/ebwq7h869ehf/event/registration.html
Public Hearing #2	
Date	Friday, July 19, 2024
Time	12:00pm - 2:00pm
Venue	Library of Michigan & Historical Center 1st Floor Forum 702 W. Kalamazoo Street Lansing, MI 48933
Hearing Link	This event is held in-person at the above location.

Written Public Comments

MDHHS will also accept written public comments until 5:00 p.m. EST **on July 28, 2024**. Written comments may be sent via email to: mdhhs-engagemedicaid@michigan.gov. Please include "Section 1115 Reentry Services Demonstration" in the subject line. Additionally, comments may be mailed to MDHHS/Behavioral and Physical Health and Aging Services Administration, Program Policy Division, PO Box 30479, Lansing, MI 48909-7979.

RELEASED: June 28, 2024