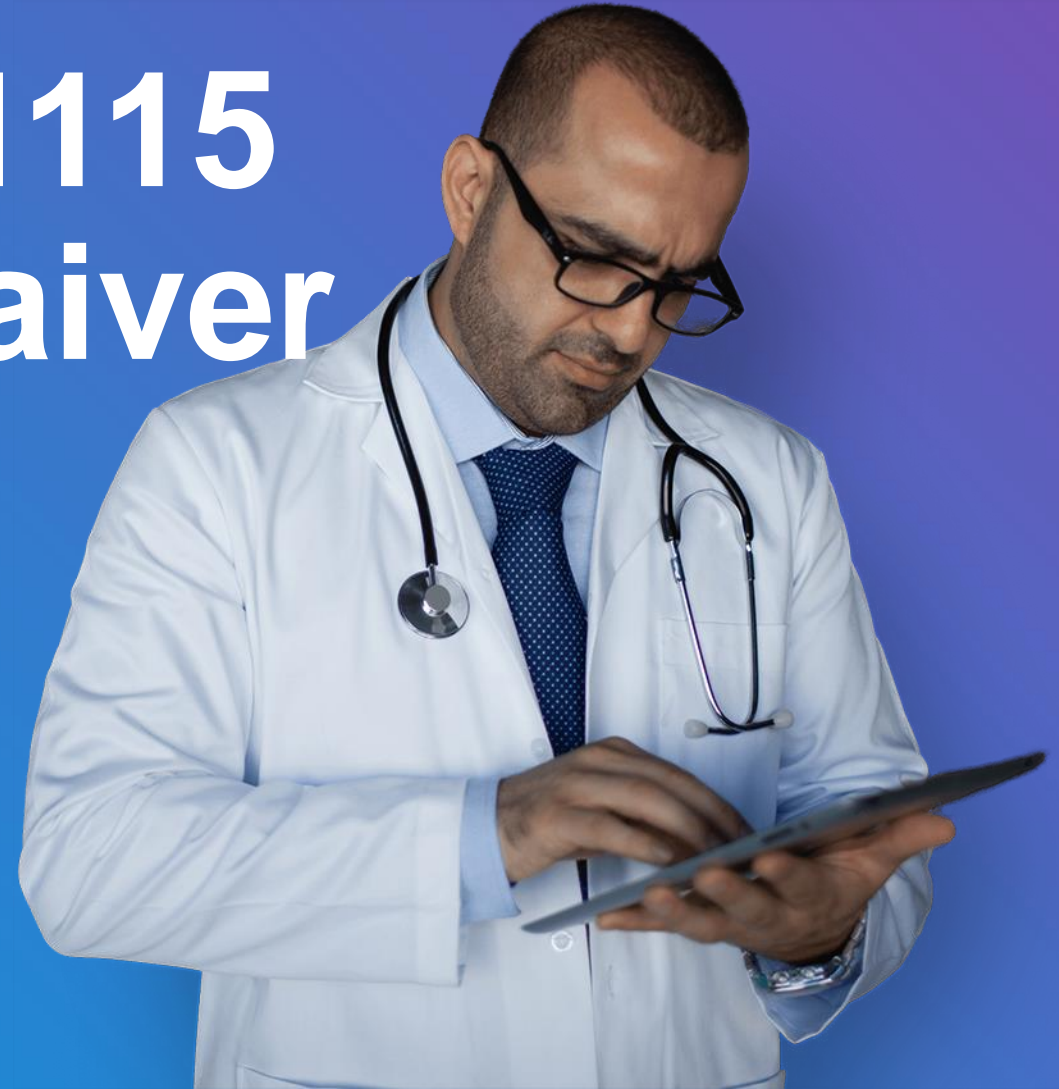




# Justice-Involved 1115 Demonstration Waiver



January 23, 2024

# Agenda

1. History and Background
2. Connecticut's Amendment Request
3. Proposed Services
4. Budget Neutrality
5. Timelines and Next steps
6. Questions
7. Resources

# Justice-Involved (JI) Waiver

## History and Background

There is a long-standing prohibition in Medicaid that precludes Medicaid reimbursement for services provided to incarcerated individuals. This is known as the “inmate exclusion.”

In January 2023, California received approval from the Centers for Medicare and Medicaid Services (CMS) to waive the inmate exclusion rule with agreed-upon rules and procedures. In June 2023, Washington received approval for their waiver.

Currently, 16 states have submitted applications to CMS. California’s and Washington’s have been approved.

In 2018, Congress passed the Substance Use Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act), which required the U.S. Department of Health and Human Services to guide states on how to seek 1115 demonstration authority to waive the inmate exclusion to improve care transitions to the community for incarcerated individuals.

CMS has advised states to align JI waiver applications with what has already been authorized under the California and Washington models if states want an expedited review of their applications.

# Connecticut's Waiver Application

- Connecticut will request waiver authority, via an amendment to the Substance Use Disorder 1115 Demonstration Waiver, to design and implement a “Reentry Demonstration” that provides:
  - Medicaid coverage for eligible individuals in the state correctional system, including all correctional centers (jails and courthouses), and correctional institutions (prisons), and juvenile and community residential centers.
    - Eligible individuals include those with behavioral health needs, including mental health disorders and substance use disorder (SUD) and certain other health conditions.
    - Coverage period of up to **90 days** immediately prior to release from the correctional system.
  - An initial targeted benefit package to include case management services, medication-assisted treatment for SUD, a 30-day supply of medications upon release, and certain other supportive services being implemented in subsequent phase-ins.

# Demonstration Goals

- Consistent with CMS' goals as outlined in the April 17, 2023, State Medicaid Directors' letter, Connecticut's specific goals for the reentry demonstration are to:
  - Increase coverage, continuity of coverage, and appropriate service uptake through assessment of eligibility and availability of coverage for benefits in carceral settings just prior to release;
  - Improve access to services prior to release and improve transitions and continuity of care into the community upon release and during reentry;
  - Improve coordination and communication between correctional systems, Medicaid systems, including administrative services organizations, and community-based providers;
  - Increase investments in health care and related services, aimed at improving the quality of care for beneficiaries in carceral settings and in the community to maximize successful reentry post-release;
  - Improve connections between carceral settings and community services upon release to address physical health, behavioral health, and health-related social needs (HRSN);
  - Reduce deaths in the near-term post-release; and
  - Reduce the number of emergency department (ED) visits and inpatient hospitalizations among recently incarcerated Medicaid beneficiaries through increased receipt of preventive and routine physical and behavioral health care.

# Proposed Services

Three core services that must be operational at the start of the waiver:

- Transitional case management (pre- and post-release)
- Medication-assisted treatment (MAT) for substance use disorder
- 30-day supply of medications upon release

Additional services to be implemented in subsequent phase-ins:

- Physical and behavioral health clinical consultation
- Laboratory and radiology services
- Services by community health workers, to the extent covered under the Medicaid State Plan, including those with lived experience
- Family planning services, including contraceptives and other birth control
- Other services such as medications and medication administration; screening for common health conditions, such as blood pressure, diabetes, hepatitis C, and HIV; rehabilitative or preventive services, including those provided by community health workers; treatment for hepatitis C; and health related social needs (HRSN) such as housing supports

# Health-Related Social Needs (HRSN)

CT is requesting to cover certain housing related services and supports for the justice involved population upon reentry to the community:

- One-time transition and moving costs (e.g., security deposit, first month's rent, utility activation fees, movers, relocation expenses, pest eradication, pantry stocking, and the purchase of household goods and furniture);
- Housing deposits to secure housing, including application and inspection fees and fees to secure needed identification;
- Medically necessary air conditioners, heaters, humidifiers, air filtration devices, generators, and refrigeration units as needed for medical treatment and prevention;
- Medically necessary home accessibility modifications and remediation services such as ventilation system repairs/improvements and mold/pest remediation

# Target Population

## Youth

- All detained youth (under age 19) who are Medicaid eligible – no demonstrated health care need is required

## Adults

- Medicaid eligible
- Meet one of the following health care need criteria:
  - Mental Illness
  - Substance Use Disorder
  - Chronic Conditions/Significant Clinical Condition
  - Intellectual or Developmental Disability
  - Acquired Brain Injury, including Traumatic Brain Injury
  - HIV/AIDS
  - Pregnant/Postpartum



# Services Are Needed

- Approximately 12,000 adults are released from correctional facilities each year
  - It is estimated that 85% of adults will meet the waiver's medical needs criteria
- Approximately 650 adolescents are released from juvenile and community residential centers per year
- According to a 2023 Connecticut Sentencing Commission data report\*:
  - 95.5% of the incarcerated population had at least one or more of the following:
    - A history of mental health disorders,
    - An active mental health disorder requiring treatment,
    - A history of substance use disorder, or
    - An active substance use problem requiring treatment.
  - 80.8% of the incarcerated population had either an active mental health disorder requiring treatment, or an active substance use disorder requiring treatment; 24.5% of the population had both.

# Waiver Application vs. Implementation Plan

- California received approval in January 2023 and plans to implement in November of 2024
- Washington received approval in June 2023 and has requested an extension on the submission of their implementation plan

## **Waiver Application Submission:**

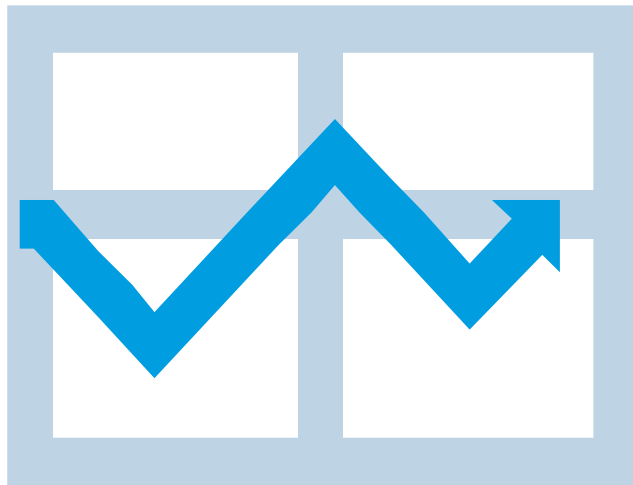
- This is step 1 of numerous steps to secure authority from CMS to implement these services
- Connecticut to submit the waiver application early 2024 to get in the queue as soon as possible

## **Implementation Plan:**

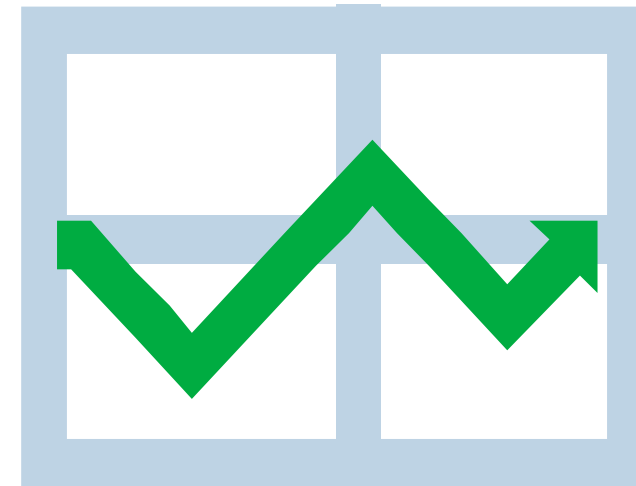
- CMS has at least 90 days to review the waiver application, but it is very likely that there will be extensions based on multiple questions that the state is likely to receive during the review process
- While the application is under review and after formal approval of the waiver, the state agencies will continue to conduct in-depth stakeholder meetings to inform the implementation plan
- The state will continue to seek stakeholder input after the submission of the state's application to CMS

# Federal Budget Neutrality

- CMS requires 1115 demonstration waivers to be budget neutral to the federal government on a per member per month (PMPM) basis
- Any new federal revenue derived from this waiver must be reinvested back into the service system to improve transition services and community-based services for the population
- Under Reentry 1115 waivers, CMS allows states to treat service costs for residents of a correctional facility as if those costs were allowable under Medicaid (called hypothetical costs). The state is not liable for caseload growth for JI services and is held to an aggregate cap for administration and HRSN.



Without Waiver Costs



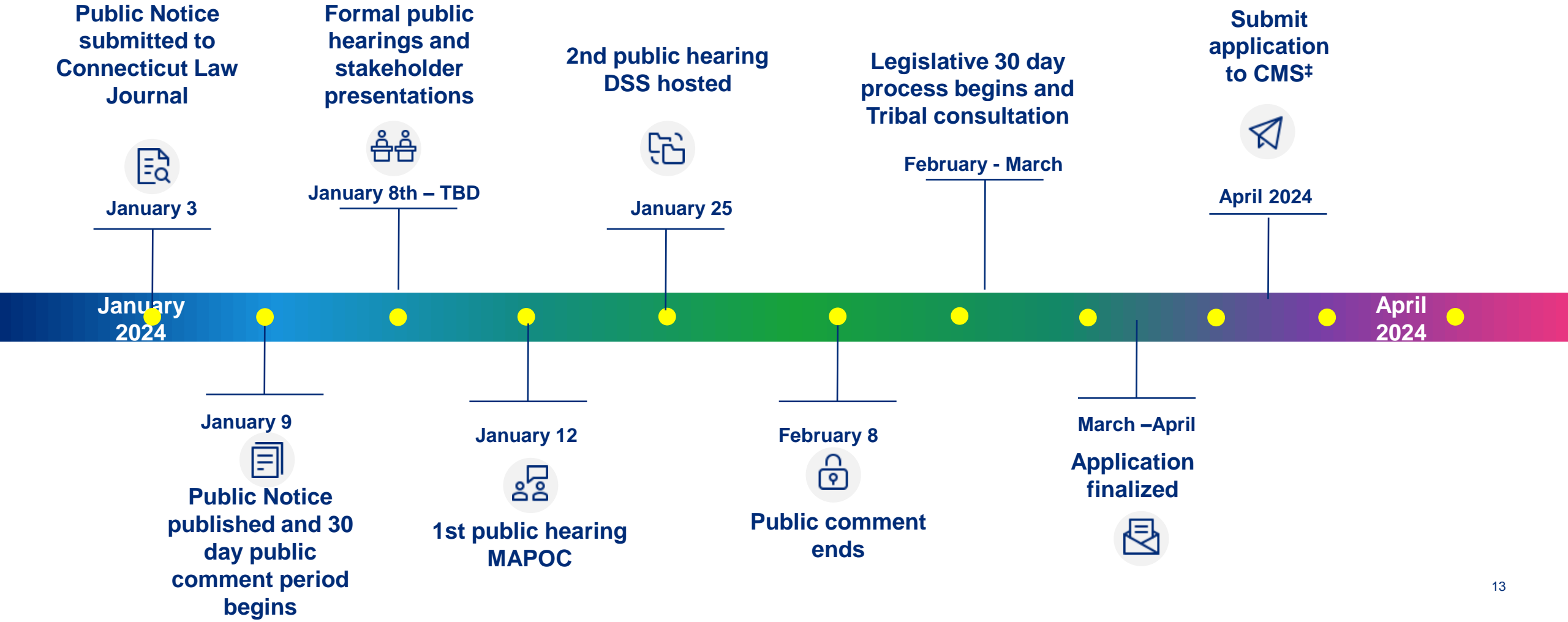
With Waiver Costs

# Federal Budget Neutrality

- All 1115 Medicaid Demonstration waivers are required to be budget neutral to the federal government
  - Budget neutrality means the estimated federal costs under the waiver cannot exceed the estimated cost of the services without the waiver.
- How is this possible when we plan to spend more money, which means the federal government will ultimately spend more money on services?
  - Under the JI waiver, CMS allows states to consider JI costs as hypothetical – as if the state already had the waiver in place; – when establishing budget neutrality
- Simple example:
  - Assume the state is currently spending \$10 million on transition care management services for the JI population through state-only funding
  - Under the waiver, those transition care management services become reimbursable under Medicaid, and thus the federal share of those costs is about \$9 million (assuming HUSKY D federal reimbursement at 90%).
  - For budget neutrality purposes, CMS allows the state to include the \$10 million as hypothetical costs, as if we had the waiver, and thus, for the purposes of budget neutrality, the \$9 million in federal costs is under the \$10 million threshold

# CT's 1115 Justice-Involved Amendment – Potential Timeline for Early 2024 Submission

Currently, there are 18 pending JI applications with CMS. CMS has signaled they will prioritize these applications, especially if they align with California's and Washington's demonstrations.



# Justice Involved Public Hearings and Public Comments

- Written comments are accepted from January 9, 2024, through February 8, 2024. Please send comments to: [CT-Justice-Involved-Waiver@ct.gov](mailto:CT-Justice-Involved-Waiver@ct.gov)
- Virtual public hearing on January 25, 2024, to be hosted by DSS from 10am-12pm. For meeting link, please visit our dedicated justice involved waiver website [1115 Justice-Involved Demonstration Waiver--Public Hearings and Public Comments \(ct.gov\)](https://www.ct.gov/1115JusticeInvolvedDemonstrationWaiver-PublicHearingsandPublicComments)



Questions?

# Resources

**CMS Press Release:** <https://www.cms.gov/newsroom/press-releases/hhs-releases-new-guidance-encourage-states-apply-new-medicaid-reentry-section-1115-demonstration>

**State Medicaid Director Letter 23–003:** <https://www.medicaid.gov/federal-policy-guidance/downloads/smd23003.pdf>

**California Waiver Special Terms and Conditions for the Demonstration:**  
<https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/ca-calaim-ca1.pdf>

**The Kaiser Commission on Medicaid and the Uninsured:**  
<https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/ca-calaim-ca1.pdf>

**Connecticut Sentencing Commission. “Mental Health Disorders in Connecticut’s Incarcerated Population” (2023):** [Mental-Health-Disorders-in-Connecticuts-Incarcerated-Population-1.pdf](https://www.ctsentencingcommission.org/Mental-Health-Disorders-in-Connecticuts-Incarcerated-Population-1.pdf) (ctsentencingcommission.org)