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CABINET FOR HEALTH  
AND FAMILY SERVICES

**Department for Medicaid Services**  
**Budget Review Subcommittee on Health & Family Services**  
**September 18, 2024**

# Kentucky has an opportunity to improve health care for individuals who are justice-involved



## Justice Involved Individuals (JII) Health Needs & Outcomes

Those individuals who have recently served sentences in correctional facilities, who are awaiting trial or sentencing, and those under community supervision, such as those on parole or probation – are at higher risk for poor health outcomes, injury, and death than the general public.



## Challenges Justice Involved Individuals Face

Justice involved adults and juveniles face a **disproportionate risk of trauma, violence, overdose, and suicide.**



## CMS Guidance

**On April 17, 2023**, CMS issued State Medicaid Directors Letter #: 23-003 re: Opportunities to Test Transition-Related Strategies to Support Community Reentry and Improve Care Transitions for Individuals Who Are Incarcerated.

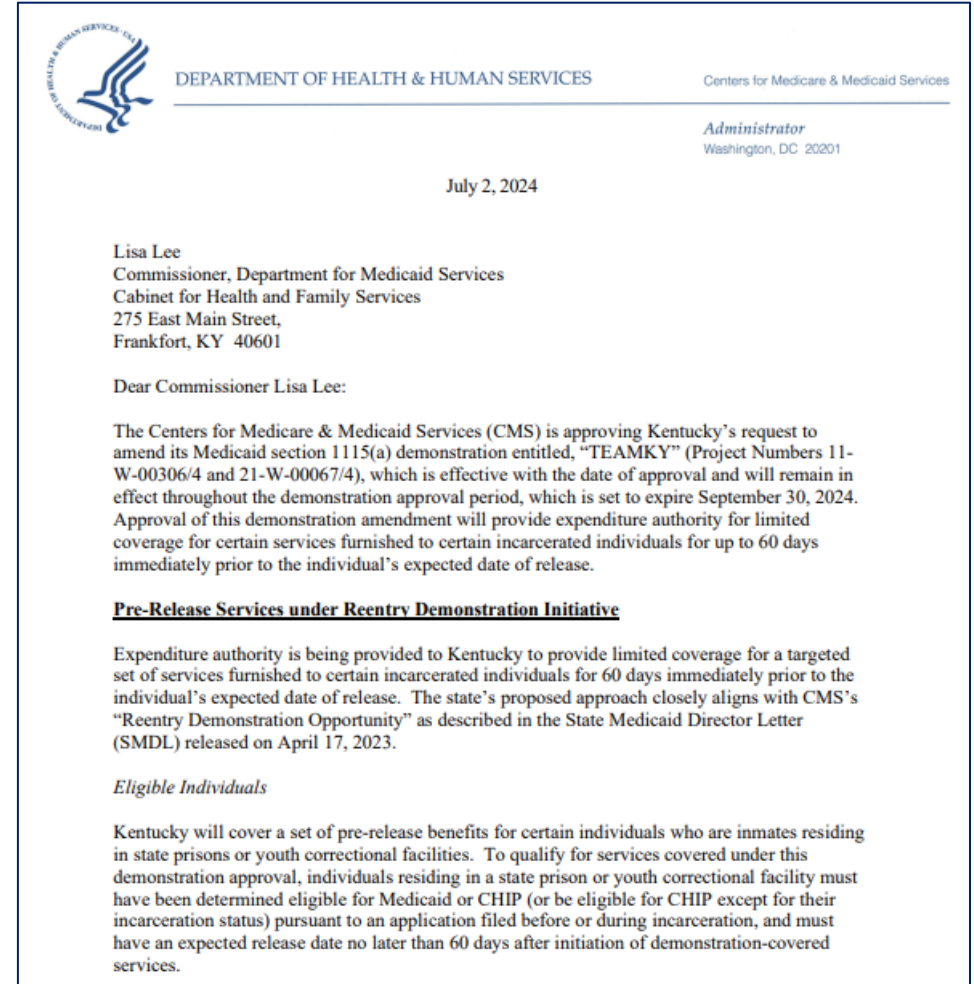


## Health Care & Medicaid-Eligibility in Carceral Settings

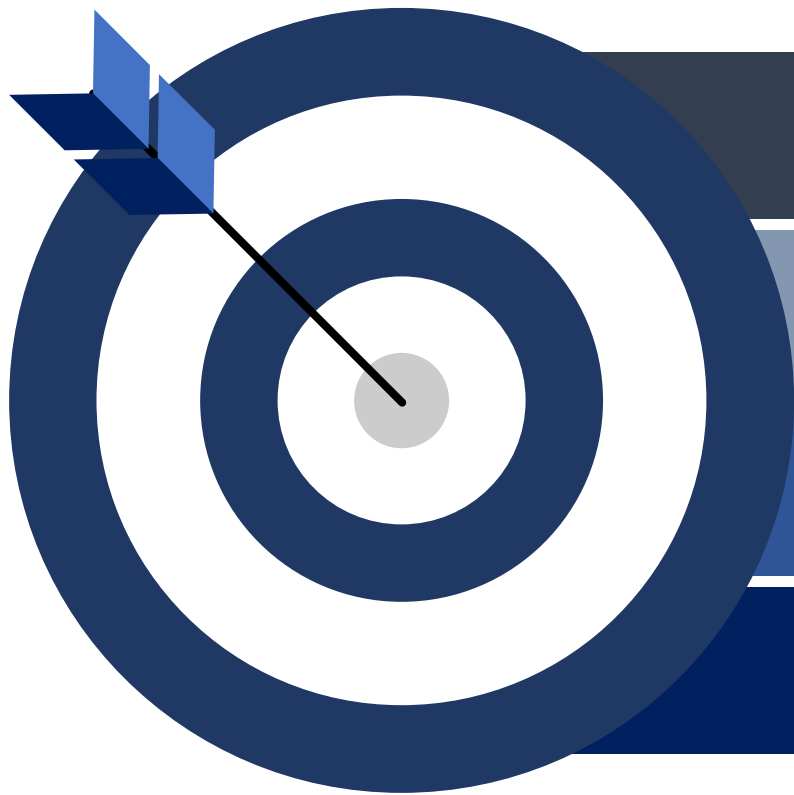
Efforts to **ensure continuity of health care coverage pre and post-release** & facilitate warm linkages to medical and behavioral health services upon release.

# Program Approval

- On July 2, 2024 the Centers for Medicare and Medicaid Services (CMS) approved the Kentucky Department for Medicaid Services' (DMS) 1115 Reentry application.
- Kentucky's application was approved alongside Illinois, Oregon, Utah, and Vermont.
- The Reentry Project is aimed at improving care transitions for justice-involved individuals (JII).



# Reentry 1115 Goals



## Goal 1

Improve access to services by increasing coverage, continuity of coverage, and appropriate service uptake for eligible incarcerated adults and placed youths.

## Goal 2

Improve coordination, communication, and connections between correctional systems, Medicaid systems and processes, managed care plans, and community-based service providers delivering enhanced services to maximize successful reentry post-release.

## Goal 3

Reduce the number of avoidable emergency department visits and inpatient hospitalizations and reduce all cause deaths.

## Goal 4

Increase additional investments in health care and related services to improve quality of care for Medicaid beneficiaries in carceral settings and post-release reentry community services.

# Key Program Components for Reentry 1115



## Section 1115 Expenditure Authority

- Promote coverage and quality of health care to improve transitions for individuals being released from carceral settings (*Medicaid or CHIP eligible*).
- Pre-release services to individuals in State Prisons and/or in Youth Correctional Facilities prior to release.



## Targeted “Pre-Release” Benefit Package

- Case management services for physical and/or behavioral health.
- Medication-Assisted Treatment (MAT).
- 30-day Supply prescription drugs.



## Provider Readiness Requirements

- All participating facilities must complete a Readiness Assessment for all services to include:
  - Pre-release Medicaid and CHIP application & enrollment processes.
  - Screen beneficiary qualifications.
  - Coordinate with partnered entities to furnish Health-Related Social Needs (HRSN).
  - Pre-release care management & assistance with care transitions to the community.
  - Data exchange to support reentry activities.
  - Data reporting to inform 1115 oversight.
  - Project management support to Correctional partners providing pre-release services.

# Eligibility and Covered Services

Reentry Overview	
<b>Eligible Populations</b>	<ul style="list-style-type: none"><li>➤ All <b>adults</b> who would be eligible for Medicaid if not for their incarceration status in one of Kentucky's <b>state prisons</b> (excluding state inmates housed in county jails) overseen by the Kentucky Department of Corrections (DOC). Eligibility is suspended upon incarceration.</li><li>➤ All <b>youth</b> who would be eligible for Medicaid if not for placement in one of Kentucky's <b>Youth Development Centers</b> (YDCs) overseen by the Kentucky Department of Juvenile Justice (DJJ). Eligibility is suspended upon placement.</li></ul>
<b>Covered Services</b>	<ul style="list-style-type: none"><li>➤ Case management to address physical health, behavioral health, and health-related social needs (HRSN) up to 60 days prior to release, and up to 12 months post-release.</li><li>➤ Medication-assisted treatment (MAT) with accompanying counseling for individuals diagnosed with a substance use disorder (SUD) up to 60 days prior to release.</li><li>➤ 30 Day supply of all medication (inclusive of over-the-counter [OTC] medications) as clinically appropriate, and if applicable, a prescription/written order for durable medical equipment (DME) immediately upon release.</li></ul>
<b>Approved Settings</b>	<ul style="list-style-type: none"><li>➤ Adult Institutions – State Prisons, DJJ - Youth Development Centers</li></ul>

# Fiscal Management

# Budget Neutrality

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## Service Expenditure Limits

- Service expenditure limits are determined by a blended per member per month (PMPM) of expected cost for reentry services provided.
  - A combination of Medicaid rates, historic costs, and Medicare rates were used to calculate the PMPM.
  - \$1,496.70 is the base year PMPM allowed.



## Non-Service Expenditure Limits

A total non-service expenditure amount of \$5,175,000 over the course of the 5 year Demonstration was requested for necessary IT system upgrades.



# Budget Neutrality

- Eligible Member Months were estimated using historic Medicaid data from Calendar Year 2022.
- Expected Member Months and PMPM limits are trended forward each year by 1.0% and 6.4%, respectively, to estimate the annual cost.

ELIGIBILITY GROUP	BASE YEAR	TREND	DEMONSTRATION YEARS (DY)					TOTAL
	DY 00	RATE	DY 01	DY 02	DY 03	DY 04	DY 05	Expenditures
Eligible Member Months	14,460	1.0%	14,605	14,751	14,898	15,047	15,198	
PMPM Cost	\$ 1,496.70	6.4%	\$ 1,592.49	\$ 1,694.41	\$ 1,802.85	\$ 1,918.23	\$ 2,041.00	
Total Expenditure			\$ 23,257,679	\$ 24,993,649	\$ 26,859,148	\$ 28,863,875	\$ 31,018,322	\$ 134,992,673

# Reinvestment Plan

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- CMS guidance mandates the federal portion of Medicaid expenditures for existing reentry services must be reinvested by the state within this program, and may include:
  - New, enhanced, or expanded pre-release services,
  - Improved health information technology and data sharing
  - Expanded or enhanced community-based reentry services and supports
  - Increase community-based provider capacity to serve justice-involved or at-risk individuals.
- DMS has determined only the 30-day prescriptions qualifies as an existing service.
  - DMS currently estimates they must reinvest \$11.3 million over the course of the project.
- Expenditures for reentry services covered under the Reentry project that are considered new count toward the amount reinvested.
  - DMS expects to be able to demonstrate they have met reinvestment guidelines through services covered under the project.

# Stakeholder Collaboration

# Collaboration for Effective Implementation Planning & Program Deployment

## Kentucky ACRES

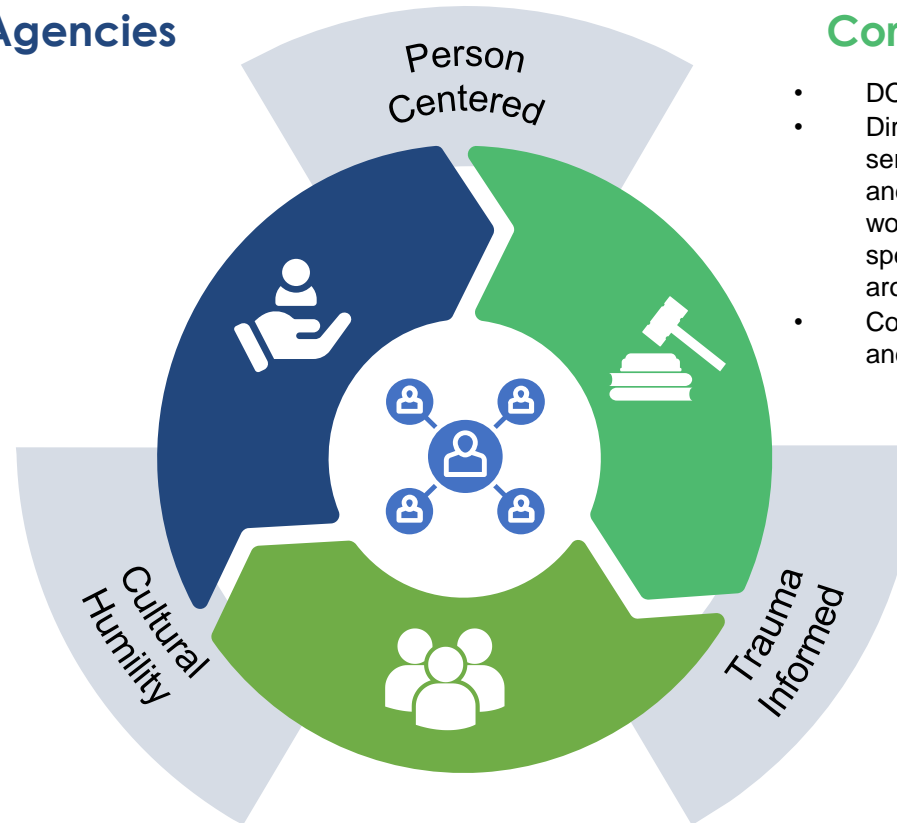
### Advisory & Community Collaboration for Reentry Services

- | Advisory Workgroup & Subcommittees
- | Stakeholder Engagement
- | Town Halls & Workshops

- Eligibility and enrollment.
- Service package & benefit design.
- Provider enrollment.
- Provider & Rx billing/claiming.
- Rate-setting.
- MCOs, & FFS.
- System design & integration.
- Data exchange (KHIE).
- Demonstration requirements, policy development.
- Provider and staff training.
- Service delivery and coordination.
- MOUs: pre-release operations & funding.
- Data collection & reporting.

## Medicaid & Inter-Agencies

- CHFS, DMS, DCBS, DBHDID.
- MCOs, entities involved with eligibility, enrollment and data sharing.
- Service provision will utilize managed care organizations (MCOs)
- Local agencies responsible for block grants for uninsured and safety net providers, including entities involved in eligibility, coverage, continuity of care and connection to community providers.
- Infectious disease specialist and department of public health lead.
- Reentry TAC.



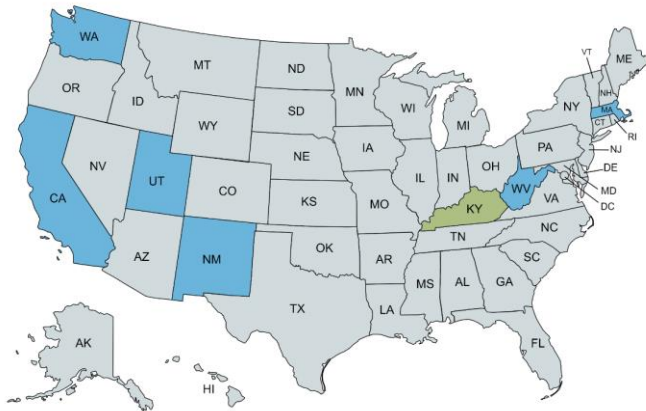
## Correctional Partners

- DOC, DJJ Leadership.
- Direct Care Staff (correctional health service providers, clinical coordinator and clinicians, care coordinator, social workers, peers, counselors, reentry specialists, case managers, wrap-around service coordinators).
- Corrections administrators, wardens, and officers.

## Community Partners

- Probation, parole board & parole supervising authority.
- State and local reentry councils.
- Community based providers, such as health, behavioral health, social support, and peer recovery services.
- Consumer Advocates & Peers.

# NASHP & HARP Reentry Learning Collaborative



- The National Academy for State Health Policy (NASHP) and the Health and Reentry Project (HARP) are leading an 18-month learning collaborative to support states with strategies to improve outcomes for individuals transitioning from incarceration to the community.
- Seven states, including Kentucky, were selected for the Learning Collaborative. Only states with a pending or approved section 1115 Demonstration request were selected.
- The Collaborative hosted its kick-off meeting in-person on June 20-21, 2024.
- Throughout the 18 months, there will be peer-to-peer state calls and monthly targeted technical assistance (TA).

# NASHP & HARP State Participation

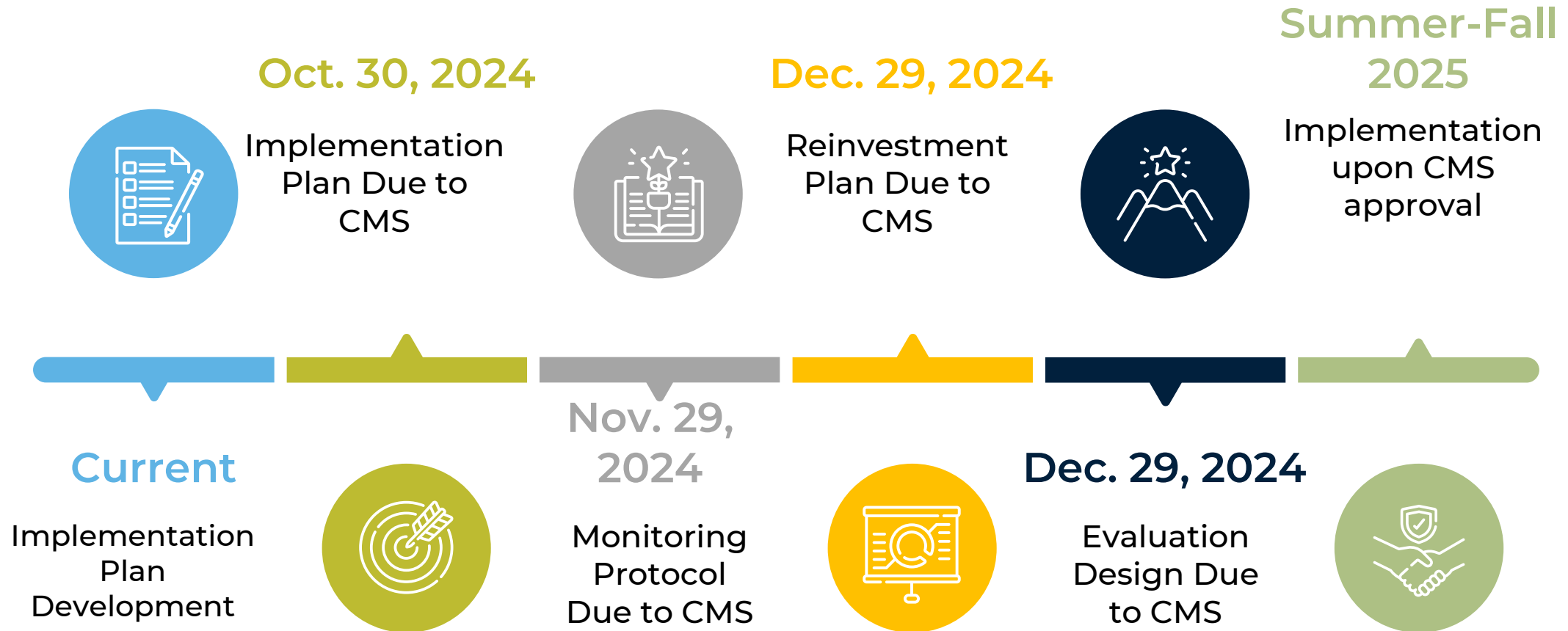
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## **Kentucky State Agencies are Working Together on the NASHP/HARP Initiative:**

- Department for Medicaid Services (DMS)
- Department for Behavioral Health, Developmental and Intellectual Disabilities (DBHDID)
- Office of Drug Control Policy (ODCP)
- Department of Corrections (DOC)
- Department of Juvenile Justice (DJJ)

# Project Timeline

# Next Steps in the Project Timeline





# Questions?

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## DMS HOME



## DMS BH ISSUES



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