



CABINET FOR HEALTH  
AND FAMILY SERVICES

**Interim Joint Committee on Judiciary**  
**Department for Medicaid Services**  
**Reentry Project**

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**October 17, 2024**

# Kentucky has an opportunity to improve health care for incarcerated individuals and juvenile offenders



## Health Needs & Outcomes

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

Incarcerated adults and juvenile offenders 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.

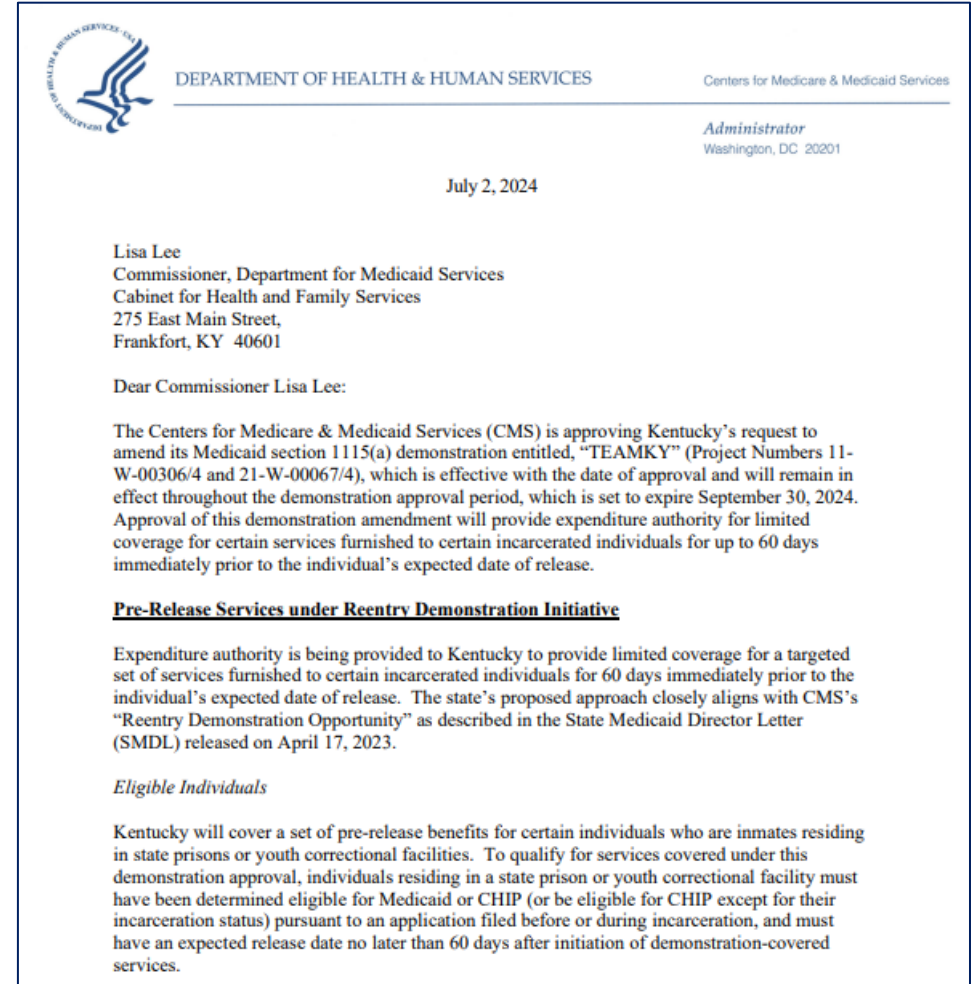


## Health Care & Medicaid-Eligibility in Carceral Settings

Efforts to **ensure continuity of health care coverage pre and post-release** & facilitate connections 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 incarcerated individuals and juvenile offenders.



# 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 Development Centers (YDCs) prior to release.



## Targeted “Pre-Release” Benefit Package

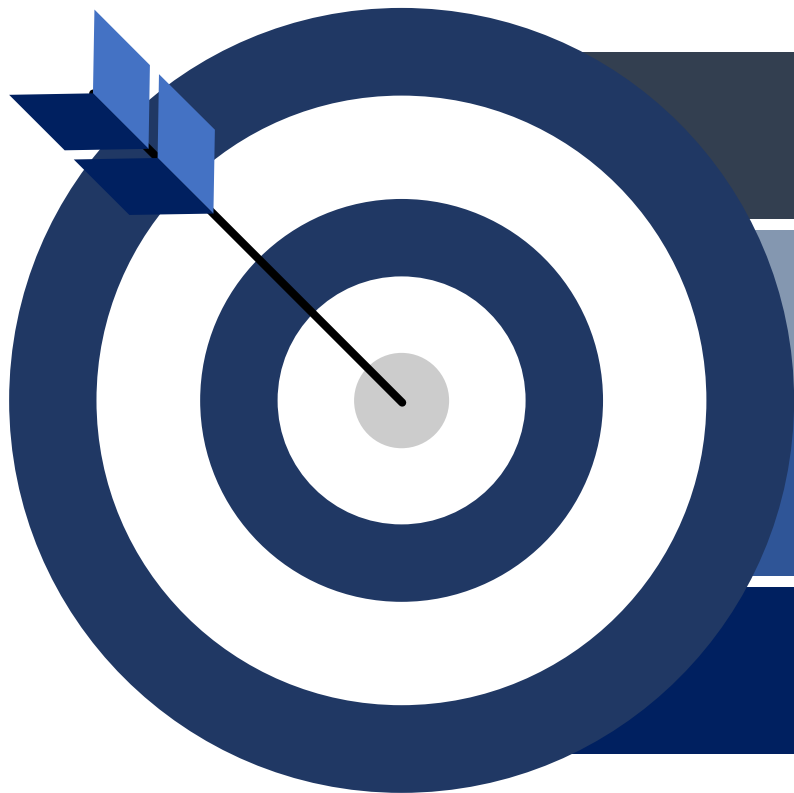
- Case management services for physical and/or behavioral health.
- Medication-Assisted Treatment (MAT).
- 30-day Supply prescription drugs.



## Provider Readiness Requirements

- All state prisons and YDCs 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).
  - Ensure 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.

# 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 individuals in carceral settings and post-release reentry community 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 adjudicated <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



## Service Expenditure Limits

- Projects must be “budget neutral”:
  - Medicaid expenditures must not exceed spending without the demonstration. The cost of services must be less than or equal to the cost of services provided today.
- Service expenditure limits are determined by a blended per member per month (PMPM) of expected cost for reentry services provided using a combination of Medicaid rates, historic costs, and comparable service rates.



## 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.



# 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,
  - Increased community-based provider capacity to serve incarcerated individuals and juvenile offenders.
- DMS has determined only the 30-day prescriptions qualify as an existing service.
  - DMS currently estimates they must reinvest \$11.3 million over the course of the project.
- New Expenditures for reentry services covered under the Reentry project count toward the amount reinvested.
  - DMS expects to successfully demonstrate they have met reinvestment guidelines through services covered under the project.

# New Medicaid Provisions for Placed Youth

# Provisions of Medicaid Services for Placed Youth

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- In the 2023 Consolidated Appropriations Act (CAA), Congress included sections 5121 and 5122 to amend existing laws that limit Medicaid and CHIP coverage for incarcerated individuals.
  - Section 5121 is **mandatory**.
  - Section 5122 is **optional**.
- On July 23, 2024, CMS released guidance for the required and optional provisions under these sections that will take effect on **January 1, 2025**.
- **States must submit Medicaid and CHIP state plan amendments (SPA) to CMS by March 31, 2025** and must have an effective date of no later than January 1, 2025.

# Section 5121 (Mandatory)



## Eligible Population

- Adjudicated juveniles under 21 years of age; **or**
- Adjudicated juveniles between the ages of 18 and 26 if formerly in foster care.



## Covered Services

- Early and Periodic Screening, Diagnostic, and Treatment Services (EPSDT).
- EPSDT includes medical, dental, and behavioral health screenings or diagnostic services.
- Targeted Case Management 30 days prior to release and for at least 30 days after release.



## Approved Settings

- Youth Development Centers
- Youth Detention Centers
- State Prisons
- Local Jails

# Section 5122 (Optional)



## Eligible Population

- Pre-adjudicated juveniles under 21 years of age, **or**
- Pre-adjudicated juveniles between the ages of 18 and 26 if formerly in foster care.
- **Eligibility is not suspended;** individuals are entitled to benefits included under approved service package.



## Covered Services

- Allows states to request the full range of Medicaid/CHIP services the individual would otherwise be eligible for.

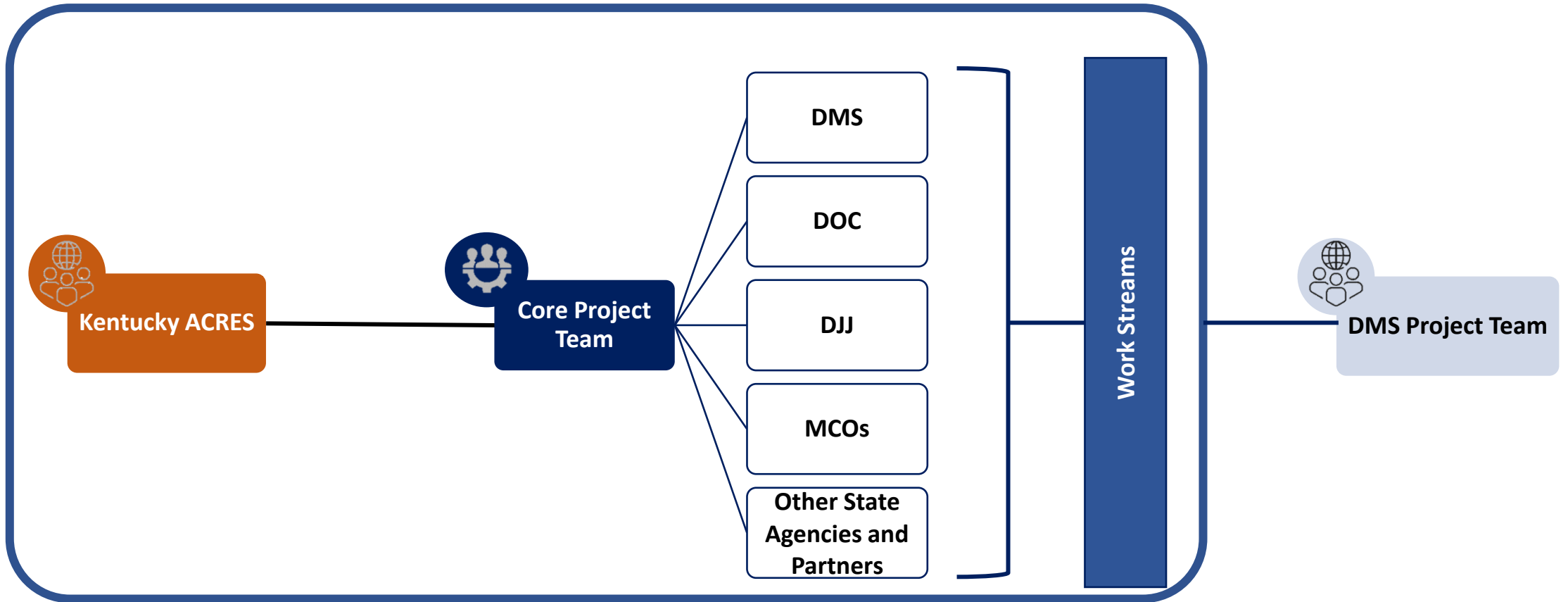


## Approved Settings

- Youth Development Centers
- Youth Detention Centers
- State Prisons
- Local Jails

# Community Partner Collaboration

# Program Governance and Project Oversight



## Role of Kentucky ACRES

- Provides Executive-level oversight and strategic direction to the project team.
- Ensures alignment of the broader Reentry goals and objectives.

## Role of the Core Project Team

- Focused on implementation tasks and project needs.
- Supports policy development and strategy execution.
- Executes strategies according to policy.
- Provides direct oversight of the project work streams.

# Advisory Workgroup Participation

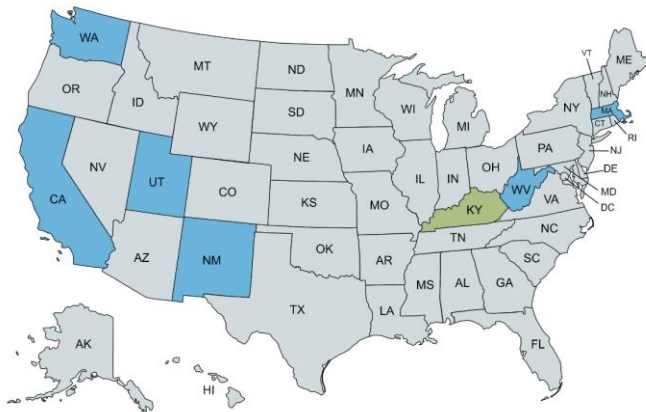
## ACRES Contains Representation From...

- Department for Medicaid Services (DMS)
- Department for Behavioral Health, Developmental, and Intellectual Disabilities (DBHDID)
- Department for Community Based Services (DCBS)
- Department for Aging and Independent Living (DAIL)
- Office of Drug Control Policy (ODCP)
- Department for Public Health (DPH)
- Department of Corrections (DOC)
- Department of Juvenile Justice (DJJ)
- Administrative Office of the Courts (AOC)
- Managed Care Organizations (MCOs)
- Office of Adult Education
- Community Partners
- Advocacy Organizations
- Individuals with Lived Experience





# NASHP & HARP Reentry Learning Collaborative



- The National Academy for State Health Policy (NASHP) and the Health and Reentry Project (HARP) selected 7 states to participate in an 18-month learning collaborative to support states with strategies to improve outcomes for individuals transitioning from incarceration to the community.
  - States will receive peer-to-peer state networking and targeted technical assistance.
- The Collaborative kicked off in June including Leadership from:
  - 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

# Reentry Project Timeline

Oct. 30, 2024

Implementation  
Plan Due to  
CMS



Dec. 29, 2024

Reinvestment  
Plan Due to  
CMS



Jan. 1, 2025

New youth  
Medicaid  
provisions  
effective



Nov. 29,  
2024

Monitoring  
Protocol  
Due to CMS



Dec. 29, 2024

Evaluation  
Design Due  
to CMS



Summer-  
Fall 2025

Implementation  
upon CMS  
approval

# Questions?

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## DMS HOME



## DMS BH ISSUES



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