

Medicaid Funding Opportunities for Justice-Involved Individuals

Minimum Services Must Include:

- Case management to assess and address physical and behavioral health needs and HRSN
- MAT services for all types of SUD as clinically appropriate with accompanying counseling
- A 30-day supply of all prescription medications that have been prescribed for the beneficiary at the time of release

States may cover physical and behavioral health services that support reentry into the community, such as:

- Family planning services;
- Screening for common health conditions within the incarcerated population, 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
- Provision of durable medical equipment and/or supplies

Designated State Health Programs

Basics and History

DSHP emerged as a financing mechanism to support states in delivery system reform investments via **1115 waivers**

DSHP allows states to “claim” federal match for expenditures made to state-funded health programs, allowing for additional waiver investments **without new** state share

CMS **moved away** from new DSHP approvals in 2018 due to increased program scrutiny

2022 DSHP Policy

CMS is now approving **limited DSHP** programs to support HRSN investment

States are **required to contribute** a small amount of new state funding (amount defined in standard terms and conditions [STCs]) to support a portion of HRSN expenditures throughout the waiver period

Budget neutrality savings are required to support DSHP authority

Maintenance of effort is **required for state-only programs**, and states must submit a sustainability plan

DSHP **expenditures are capped** at 1.5% of a state's total Medicaid spending during a demonstration period

There are additional **requirements** for targeted rate increases in primary care, behavioral health, and OB/Maternity

Next Steps for Interested States – CMS Roadmap to Success

CMS is urging states to model their waiver requests after California's 1115 STCs.

Under their 1115 Waiver, California may:

- Cover substance-use treatment before a Medicaid beneficiary is released from jail, prison, or youth correctional facility
- Connect individuals to community-based Medicaid providers up to 90 days prior to their release to ensure they can continue their treatment after they return to the community
- An important part of the CMS approval of California's Waiver includes guardrails to prevent incarceration cost shifting to the federal government



Caveats and limitations

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Questions for your specific state?

Please contact Michal.Rudnick@mercero.com or your Mercer consultant to discuss the impact for your specific state programs. You may also email us at mercero.government@mercero.com.

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