

Medicaid Funding Opportunities for Justice-Involved Individuals



Our Discussion Today

- Background on CA's 1115 waiver approval
- Minimum requirements for a Justice Initiative 1115 demonstration waiver
- Funding opportunities
- Next steps for interested states



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California's 1115 Re-Entry Demonstration Waiver

CalAIM Justice-Involved Initiative

National Context for California's 1115 Demonstration Request

Until now, due to a provision of federal Medicaid law known as the "inmate exclusion," inpatient hospital care was the only service that could be covered by Medicaid for individuals considered an "inmate of a public institution."

- In 2018, Congress passed the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act) which requires HHS to provide guidance to states on how to seek 1115 demonstration authority to waive the inmate exclusion in order to improve care transitions to the community for incarcerated individuals.
- Prior to HHS' release of guidance, California, along with 14 other states, submitted 1115 demonstration requests to provide pre-release services to justice-involved populations.
- Through its CalAIM 1115 Demonstration, California received federal approval to provide a targeted set of Medi-Cal services to youth and adults in state prisons, county jails and youth correctional facilities for up to 90 days prior to release.

California is the first state in the nation to get federal approval to provide pre-release services.

Rationale for Providing Pre-Release Services

California has received approval to authorize federal Medicaid matching funds for select Medicaid services for eligible justice-involved individuals in the 90-day period prior to release from incarceration in prisons, county jails and youth correctional facilities.



The demonstration intends to **build a bridge to community-based care for justice-involved Medi-Cal members**, offering them services to stabilize their condition(s) and establishing a re-entry plan for their community-based care prior to release.



This demonstration is **part of California's comprehensive initiative to improve physical and behavioral health care for the justice-involved population** and builds on the State's substantial experience and investments in ensuring the continuity of Medi-Cal coverage and access to care for JI populations.



With its 1115 demonstration, California will directly test and evaluate its expectation that **providing targeted pre-release services to Medi-Cal-eligible individuals will avert the unnecessary use** of inpatient hospitals, psychiatric hospitals, nursing homes, emergency departments and other forms of costly and inefficient care that otherwise would be paid for by Medi-Cal.

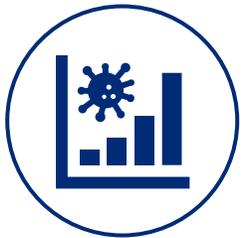
Justice-Involved Reentry Initiative Goals

The demonstration approval represents a first-of-its-kind section initiative, focused on improving care transitions for incarcerated individuals.

With the implementation of this demonstration, DHCS hopes to achieve the following:



Advance Health Equity: The issue of poor health, health outcomes, and death for incarcerated people is a health equity issue because Californians of color are disproportionately incarcerated— including for mental health and SUD-related offenses. These individuals have considerable healthcare needs but are often without care and medications upon release.



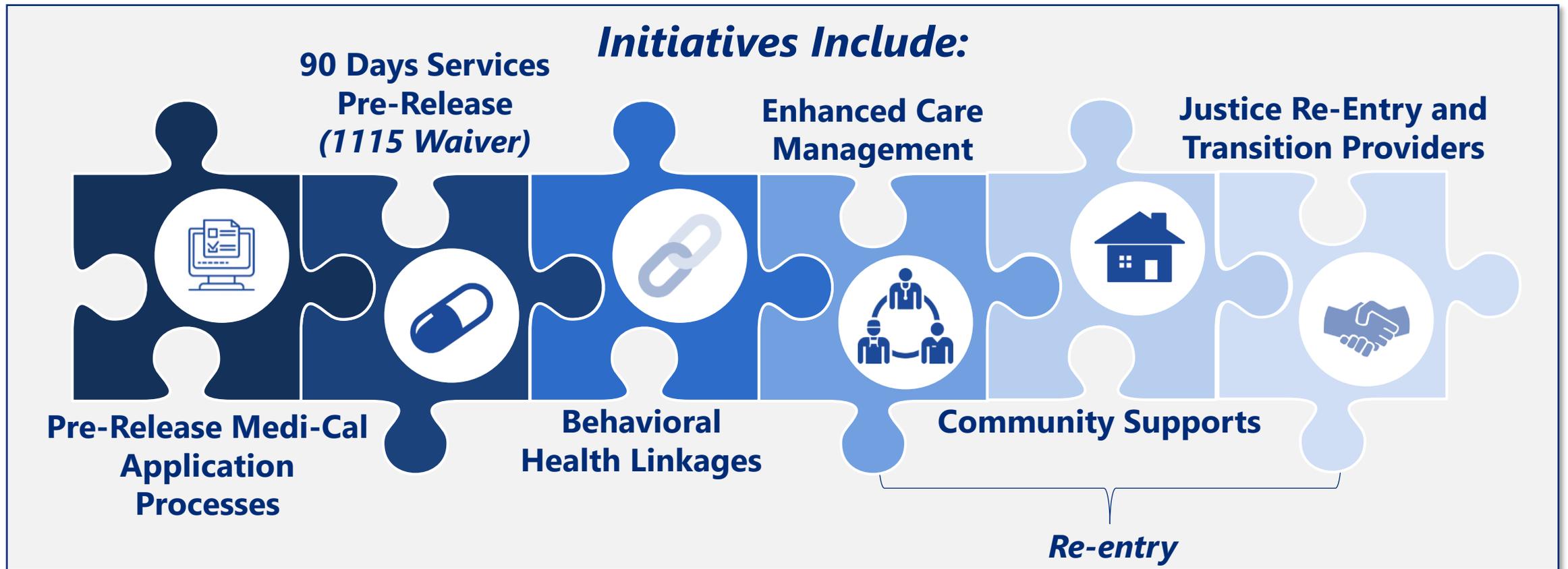
Improve Health Outcomes: By implementing this initiative, California aims to provide a targeted set of services in the pre-release period to establish a supportive community reentry process, help individuals connect to physical and behavioral health services upon release, and ultimately improve physical and behavioral health outcomes.



Serve as a model for the rest of the nation: California is the first state to receive approval for this initiative. We hope our model will serve as a blueprint for the dozen additional states with pending justice-involved 1115 waivers.

The Justice-Involved Reentry Initiative is One Component of the CalAIM Justice-Involved Initiative

CalAIM justice-involved initiatives support justice-involved individuals by providing key services pre-release, enrolling them in Medi-Cal coverage, and connecting them with behavioral health, social services, and other providers that can support their re-entry.



Eligibility Criteria for Pre-Release Services

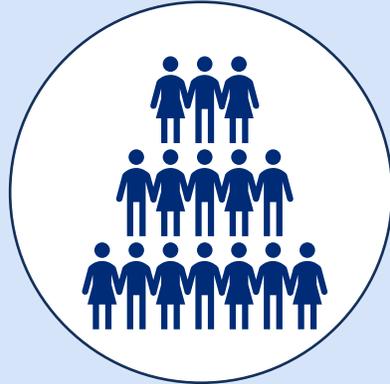
Medi-Cal-eligible individuals who meet the pre-release access screening criteria may receive targeted Medi-Cal pre-release services in the 90-day period prior to release from correctional facilities. DHCS developed detailed definitions for qualifying criteria, based on extensive stakeholder feedback (See Appendix).

Medi-Cal Eligible:

- Adults
- Parents
- Youth under 19
- Pregnant or postpartum
- Aged
- Blind
- Disabled
- Current children and youth in foster care
- Former foster care youth up to age 26

CHIP Eligible:

- Youth under 19
- Pregnant or postpartum



Criteria for Pre-Release Medi-Cal Services

Incarcerated individuals must meet the following criteria to receive in-reach services:

- ✓ Be part of a **Medicaid or CHIP Eligibility Group**, and
- ✓ Meet **one** of the following health care need criteria:
 - Mental Illness
 - Substance Use Disorder (SUD)
 - Chronic Condition/Significant Clinical Condition
 - Intellectual or Developmental Disability (I/DD)
 - Traumatic Brain Injury
 - HIV/AIDS
 - Pregnant or Postpartum

Note: *All incarcerated youth are able to receive pre-release services and do not need to demonstrate a health care need.*

Covered Pre-Release Services

The pre-release services authorized under the Justice-Involved Reentry Initiative include the following services currently covered under DHCS's Medicaid and CHIP State Plans. DHCS worked extensively with stakeholders to develop definitions for each of the covered services (See Appendix).

- Reentry case management services;
- Physical and behavioral health clinical consultation services provided through telehealth or in-person, as needed, to diagnose health conditions, provide treatment, as appropriate, and support pre-release case managers' development of a post-release treatment plan and discharge planning;
- Laboratory and radiology services;
- Medications and medication administration;
- Medications for addiction treatment (MAT), for all Food and Drug Administration-approved medications, including coverage for counseling; and
- Services provided by community health workers with lived experience.



In addition to the pre-release services specified above, qualifying members will also receive **covered outpatient prescribed medications and over-the-counter drugs** (a minimum 30-day supply as clinically appropriate, consistent with the approved Medicaid State Plan) and **durable medical equipment (DME)** upon release, consistent with approved state plan coverage authority and policy.

Pre- and Post-Release Care Management to Support Re-Entry

Correctional facilities and community-based care managers will play a key role in re-entry planning and coordination, including notifying implementation partners* of release date, if known, supporting pre-release warm handoffs, facilitating behavioral health linkages, and dispensing medications and/or DME upon reentry.

Enhanced Care Management (ECM)	Behavioral Health Linkages	Warm Handoff Requirement
<p>Individuals who meet the CaAIM pre-release service access criteria will qualify for ECM Justice Involved Population of Focus and will be automatically eligible for ECM until a reassessment is conducted by the managed care plan (MCP), which may occur up to six months after release.</p>	<p>To achieve continuity of treatment for individuals who receive behavioral health services while incarcerated, DHCS will require correctional facilities to:</p> <ul style="list-style-type: none">• Facilitate referrals/linkages to post-release behavioral health providers (e.g., non-specialty mental health, specialty mental health, and SUD).• Share information with the individual's health plan (e.g., MCPs, SMHS, DMC-ODS) or program (i.e., DMC).	<p>Prior to release, the pre-release care manager must do the following:</p> <ul style="list-style-type: none">• Share transitional care plan with the post-release care manager and MCP.• Schedule and conduct a pre-release care management meeting (in-person or virtual) with the member and pre- and post-release care managers (if different) to:<ul style="list-style-type: none">— Establish a trusted relationship.— Develop and review care plan with member.— Identify outstanding service needs.

*Implementation partners include social services departments, post-release care manager (if different from pre-release care manager, MCPs, and county behavioral health agencies

Providing Access and Transforming Health (PATH) Capacity Building Program

The approved CalAIM 1115 waiver authorizes \$410 million for PATH Justice-Involved Capacity Building Program to support collaborative planning and IT investments intended to support implementation of pre-release and reentry planning services in the 90 days prior to release.



Funding from the PATH Justice-Involved Capacity Building Program will provide implementation grants to correctional facilities (or their delegates), county behavioral health agencies, community-based providers, probation officers, sheriff's offices, and other implementation stakeholders.



Funding is intended to support eligible entities as they stand-up processes, protocols, and IT system modifications that are necessary to implement or modify processes to support the provision of pre-release services.



This funding can be used for investments in personnel, capacity, or IT systems that are needed to effectuate pre-release service processes.



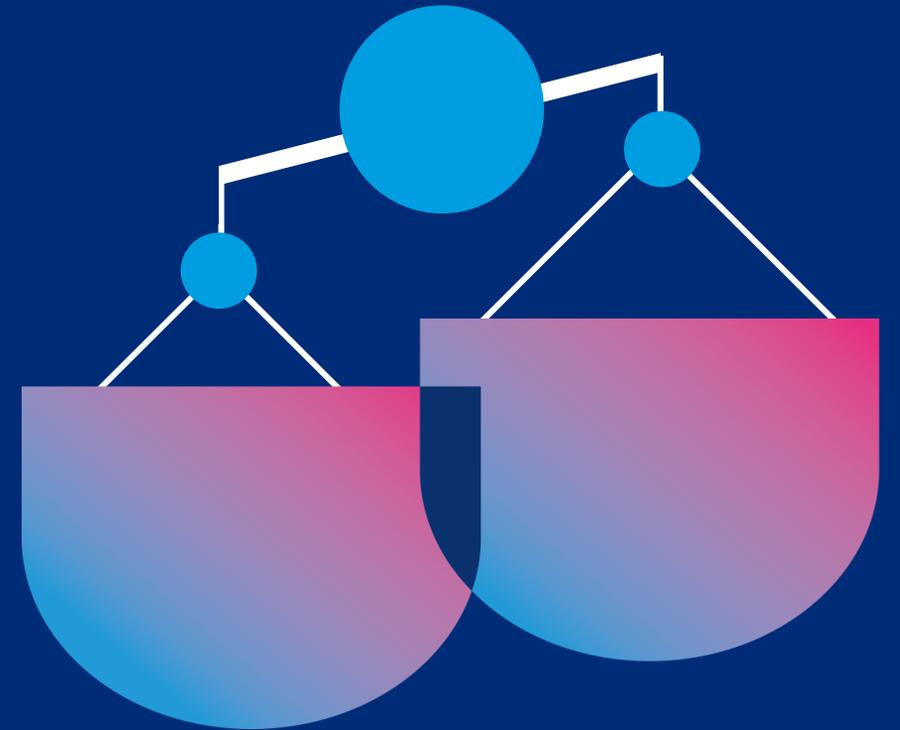
DHCS will provide detailed guidance on PATH applications.

Questions? Email
CalAIMJusticeAdvisoryGroup@dhcs.ca.gov



Minimum Requirements

Justice Initiative 1115
Demonstration Waiver



State Medicaid Directors Letter (SMDL) Services

Necessary minimum requirements

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

PH and BH services states may cover to support community reentry

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**

Provision of durable medical equipment and/or supplies



Designated State Health Programs

DSHP 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

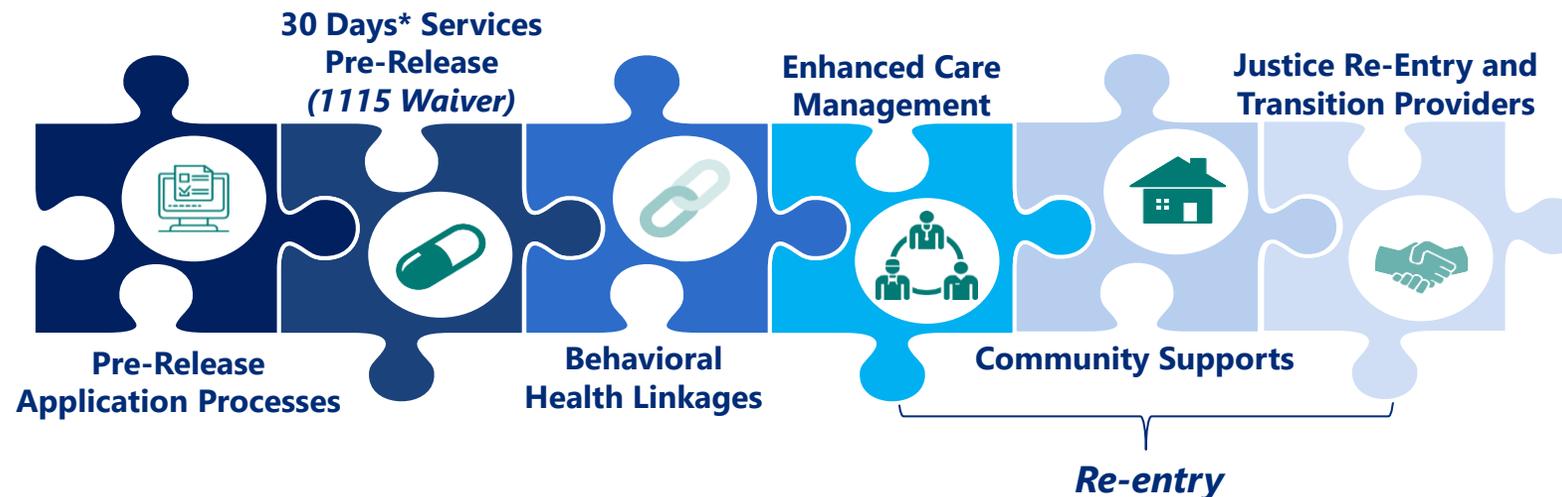
CMS is urging states to model their waiver requests after California's 1115 STCs

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

High-level goals of JI's



Structure considerations for states

Develop a crosswalk to the California Waiver

Environmental **scan** of the incarcerated and juvenile justice populations

Financial **considerations** for rate setting purposes

Policy/regulatory support

e.g., summarize best practices for connecting transitioning justice involved populations, review of Medicaid suspension processes for extended sentences

Stakeholder engagement

Draft waiver amendment language

Public comment process for the Waiver amendment

Submit **waiver** amendment to CMS

Develop an **implementation plan** after the waiver amendment approval



