DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Administrator
Washington, DC 20201

December 27, 2024

Meghan E. Groen
Senior Deputy Director
Michigan Department of Health and Human Services
400 S Pine Street, 7th Fl
Lansing, MI 48933

Dear Director Groen:

The Centers for Medicare & Medicaid Services (CMS) is approving Michigan's (the "state") request for a five-year section 1115(a) demonstration entitled, "Reentry Services" (Project Number 11-W-00499/5) (the "demonstration"), which is effective from the date of approval and will remain in effect through the demonstration approval period, which is set to expire December 31, 2029. Approval of this demonstration provides expenditure authority for limited coverage for certain services furnished to certain incarcerated individuals for up to 90 days immediately prior to the individual's expected date of release.

CMS's approval of this section 1115(a) demonstration is subject to the limitations specified in the attached waiver and expenditure authorities, special terms and conditions (STC), and any supplemental attachments defining the nature, character, and extent of federal involvement in this project. The state may deviate from the Medicaid state plan requirements only to the extent those requirements have been specifically listed as waived or not applicable to expenditures under the demonstration.

Pre-Release Services under the Reentry Demonstration Initiative

Expenditure authority is being provided to Michigan to provide limited coverage for a targeted set of services furnished to certain incarcerated individuals for 90 days immediately prior to the individual's expected date of release. The state's proposed approach closely aligns with CMS' "Reentry Demonstration Opportunity" as described in the State Medicaid Director Letter (SMDL) released on April 17, 2023.

Eligible Individuals

Michigan will cover a set of pre-release benefits for certain individuals who are inmates residing in state prisons, local county jails, juvenile facilities (including Juvenile Justice Facilities and County-Operated Juvenile Detention Centers), and Tribal correctional facilities (herein after referred to as "correctional facilities"). To qualify for services covered under this demonstration approval, individuals residing in a correctional facility must have been determined eligible for Medicaid or the Children's Health Insurance Program (CHIP) (or be eligible for CHIP except for their incarceration status) pursuant to an application filed before or during incarceration and have an expected release date within 90 days**.**

Medicaid and CHIP Eligibility and Enrollment

CMS is requiring, as a condition of approval of this demonstration, that Michigan make pre-release outreach, along with eligibility and enrollment support, available to all individuals incarcerated in the correctional facilities listed above and outlined in the STCs.

For a Medicaid covered individual entering a correctional facility, Michigan will not terminate Medicaid coverage, but will suspend the individual's coverage. For a CHIP-covered individual who is incarcerated, the state must terminate coverage if the individual remains incarcerated at the end of their continuous eligibility period.[1] For individuals not enrolled in Medicaid or CHIP upon entering a correctional facility, Michigan will ensure the individual receives assistance with completing and submitting a Medicaid or CHIP application sufficiently prior to their anticipated release date such that the individual can receive the full duration of pre-release services, unless the individual voluntarily refuses such assistance or chooses to decline enrollment.

Scope of Pre-Release Benefit Package

The pre-release benefit package is designed to improve care transitions of such eligible individuals back to the community, including by promoting continuity of coverage, service receipt, and quality of care, as well as the proactive identification of both physical and behavioral health needs, and health-related social needs (HRSNs). It is designed to address these overarching demonstration goals, while aiming to ensure that participating correctional facilities can feasibly provide all pre-release benefits to qualifying incarcerated individuals.

CMS is authorizing Michigan to provide coverage for the following services to be detailed in an attachment to the demonstration's STCs:

- Case management to assess and address physical and behavioral health needs and health-related social needs;
- Medication assisted treatment (MAT) for all types of substance use disorders (SUDs) as clinically appropriate, including coverage for medications in combination with counseling/behavioral therapies;
- A 30-day supply of all prescription medications provided to the individual immediately upon release from the correctional facility, consistent with approved Medicaid and CHIP state plan coverage authority and policy;
- Practitioner office visit (e.g., physical exam; wellness exam; evaluation and management visit; mental health or substance use disorder treatment, therapy, or counseling; or other);
- Diagnostic services, including laboratory and radiology services;
- Prescribed drugs (in addition to MAT and the 30-day supply of prescription medications) and medication administration; and
- Medical equipment and supplies.

[1] In accordance with the CAA, 2023, after January 1, 2025, states may no longer terminate CHIP coverage due to incarceration, and they will have the option to suspend coverage.

CMS recognizes that many individuals exiting correctional facilities may not have received sufficient health care to address all of their physical or behavioral health care needs while incarcerated. This demonstration initiative will provide individuals leaving correctional facilities the opportunity to receive short-term Medicaid and CHIP pre-release coverage for certain services to facilitate successful care transitions, as well as improve the identification and treatment of certain chronic and other serious conditions to reduce acute care utilization in the period soon after release, while providing the state the opportunity to test whether these pre-release services improve uptake and continuity of MAT and other SUD and behavioral health treatment, as appropriate for the individual, to reduce decompensation, suicide-related death, overdose, and overdose-related death. Therefore, CMS is approving a demonstration benefit package in Michigan that is designed to improve identification of physical and behavioral health needs and HRSNs to facilitate connections to providers with the capacity to meet those needs in the community during the period immediately before an individual's expected release from a correctional facility. Once an individual is released, the coverage for which the individual is otherwise eligible must be provided consistent with all requirements applicable to such coverage.

Eligible Juveniles and Targeted Low-Income Children and This Reentry Demonstration Initiative

Section 5121 of the Consolidated Appropriations Act, 2023 (CAA, 2023; P.L. 117-328) amends the Social Security Act (the Act) and describes a mandatory population (eligible juveniles and targeted low-income children) and set of pre-release and post-release services, while section 5122 of the CAA, 2023 amends the Act and gives a state the option to receive federal financial participation for the full range of coverable services for eligible juveniles and targeted low-income children while pending disposition of charges. Every state is required to submit Medicaid and CHIP State Plan Amendments (SPAs) attesting to meeting the requirements in Section 5121 beginning January 1, 2025.[2]

To the extent there is overlap between the services required to be covered under sections 1902(a)(84)(D) and 2102(d)(2) of the Act and coverage under this demonstration, we understand that it would be administratively burdensome for states to identify whether each individual service is furnished to a beneficiary under the state plan or demonstration authority. Accordingly, to eliminate unnecessary administrative burden and ease implementation of statutorily required coverage and this demonstration, we are approving waivers of the otherwise mandatory state plan coverage requirements to permit the state instead to cover at least the same services for the same beneficiaries under this demonstration. This approach will ease implementation, administration, and claiming, and provide a more coherent approach to monitoring, and evaluation of the state's reentry coverage under the demonstration. The state will provide coverage under the reentry demonstration initiative to eligible juveniles described in section 1902(nn)(2) in alignment with sections 1902(a)(84)(D) and 2102(d)(2) of the Act, at a level equal to or greater than otherwise would be covered under the state plan. Compliance and state plan submission requirements under sections 5121 and 5122 of the CAA, 2023 will remain unchanged. Coverage of the population and benefits identified in sections 1902(a)(84)(D) and 2102(d)(2) of the Act, as applicable, will automatically revert to state plan coverage in the event

[2] SHO# 24-004, RE: Provision of Medicaid and CHIP Services to Incarcerated Youth. https://www.medicaid.gov/federal-policy-guidance/downloads/sho24004.pdf

that this demonstration ends or eliminates coverage of beneficiaries and/or services specified in those provisions.

Implementation and Reinvestment Plans

As described in the demonstration STCs, Michigan will be required to submit to CMS a Reentry Initiative Implementation Plan (Implementation Plan) and Reinvestment Plan documenting how the state will operationalize coverage and provision of pre-release services and how existing funding for correctional facility health services will continue to support access to necessary care and achievement of positive health outcomes for the justice-involved population.

The Implementation Plan must be submitted to CMS consistent with the STCs, and must describe the milestones and associated actions being addressed under this demonstration and provide operational details not captured in the STCs regarding implementation of those demonstration policies. At a minimum, the Implementation Plan will include definitions and parameters related to the implementation of the reentry authorities, and describe the state's strategic approach for making significant improvements on the milestones and actions, as well as associated timelines for meeting them, for both program policy implementation and investments in transitional nonservice elements, as applicable. The Implementation Plan will also outline any potential operational challenges that the state anticipates and the state's intended approach to resolving these and other challenges the state may encounter in implementing the reentry demonstration initiative. The operational plan requirement in section 1902(a)(84)(D) of the Act is satisfied by the state's Implementation Plan. The state is still required to provide coverage and otherwise meet state plan requirements with respect to any population or service specified in section 1902(a)(84)(D) or 2102(d)(2) of the Act that is not covered under this demonstration.

The reentry demonstration initiative is not intended to shift current correctional facility health care costs to the Medicaid and CHIP programs. Section 5032(b) of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act) (P.L. 115-271) makes clear that the purpose of the demonstration opportunity contemplated under that statute is "to improve care transitions for certain individuals who are soon-to-be former inmates of a public institution and who are otherwise eligible to receive medical assistance under title XIX." Furthermore, demonstration projects under section 1115 of the Act must be likely to promote the objectives of title XIX and XXI, which includes the inmate payment exclusion and inmate eligibility exclusion, respectively, in recognition that the correctional authority bears the costs for health care furnished to incarcerated individuals. This demonstration does not absolve correctional authorities in Michigan of their Constitutional obligation to ensure needed health care is furnished to inmates in their custody and is not intended as a means to transfer the financial burden of that obligation from a Tribal, state, or local correctional authority to the Medicaid or CHIP programs.

Michigan agrees to reinvest the total amount of new federal matching funds for the reentry demonstration initiative received under this demonstration into activities and/or initiatives that increase access to or improve the quality of health care services for individuals who are incarcerated (including individuals who are soon-to-be released) or were recently released from incarceration, or for physical and behavioral health needs that may help prevent or reduce the

likelihood of criminal justice system involvement. Consistent with this requirement, Michigan will develop and submit a Reinvestment Plan to CMS outlining how the federal matching funds under the demonstration will be reinvested. The Reinvestment Plan should align with the goals of the state's reentry demonstration initiative. It should detail the state's plans to increase access to or improve the quality of health care services for those who have recently been released, and those who may be at higher risk of future criminal justice system involvement, particularly due to untreated behavioral health conditions. The Reinvestment Plan should describe the activities or initiatives selected by Michigan for investment and a timeline for implementation. Any investment in carceral health care must add to or improve the quality of health care services and resources for individuals who are incarcerated and those who are soon to be released from carceral settings, and not supplant existing state or local spending on such services and resources. The Reinvestment Plan may include the services provided to eligible juveniles and targeted low-income children under sections 1902(nn)(2) and 2102(d)(2) of the Act, respectively, who are covered under this demonstration.

Budget Neutrality

CMS has long required, as a condition of demonstration approval, that demonstrations be "budget neutral," meaning the federal costs of the state's Medicaid program with the demonstration cannot exceed what the federal government's Medicaid costs in that state likely would have been without the demonstration. The demonstration is projected to be budget neutral to the federal government. The state will be held to the budget neutrality monitoring and reporting requirements as outlined in the STCs.

In requiring demonstrations to be budget neutral, CMS is constantly striving to achieve a balance between its interest in preserving the fiscal integrity of the Medicaid program and its interest in facilitating state innovation through section 1115 demonstration approvals.

Under this approval, CMS calculated the "without waiver" (WOW) baseline (which refers to the projected expenditures that could have occurred absent the demonstration and which is the basis for the budget neutrality expenditure limit for each approval period). The projected demonstration expenditures associated with each Medicaid Expenditure Group (MEG) in the WOW baseline have been trended forward using the President's Budget trend rate to determine the maximum expenditure authority for the new approval period. Using the President's Budget trend rate aligns the demonstration trend rate with federal budgeting principles and assumptions.

The Medicaid expenditures for pre-release services furnished to incarcerated beneficiaries under the reentry demonstration initiative include coverage of services that states can and do cover through Medicaid state plan or other title XIX authority, for beneficiaries who are not subject to the inmate payment exclusion. CMS considers these expenditures to be "hypothetical" because the pre-release services would be coverable under the Medicaid state plan or other title XIX authority if furnished to a beneficiary outside a carceral setting, similar to how CMS treats expenditures for services furnished to certain beneficiaries who are short-term residents in an institution for mental diseases primarily to receive treatment for SUD, or SMI or SED, under the SUD and SMI/SED section 1115 demonstration opportunities. Any population identified in

section 1902(a)(84)(D) of the Act and covered instead under this demonstration will be included in the reentry MEG.

CHIP Allotment Neutrality

Under this demonstration, the state is eligible to receive title XXI funds for allowable title XXI demonstration expenditures, up to the amount of its title XXI allotment. Title XXI funds must be first used to fully fund costs associated with CHIP state plan populations. The demonstration expenditures are limited to remaining funds.

Monitoring and Evaluation

The state is required to conduct systematic monitoring and robust evaluation of the demonstration in accordance with the STCs. The state must submit its demonstration Monitoring Protocol incorporating how it will monitor the demonstration components, including relevant metrics data as well as narrative details describing progress with implementing the demonstration. In addition, the state is also required to conduct an independent Mid-Point Assessment of the reentry demonstration initiative, as provided in the STCs, to support identifying risks and vulnerabilities and subsequent mitigation strategies.

The state is required to conduct evaluation activities to support a comprehensive assessment of whether the initiatives approved under the demonstration are effective in producing the desired outcomes for the individuals and the state's overall Medicaid and CHIP programs. Evaluation of the reentry demonstration initiative must align with the requirements detailed in the STCs, including examining impacts on Medicaid and CHIP coverage, continuity of care, access to and quality and efficiency of care, utilization of services, health outcomes, and carceral and community coordination in service provision, among others. The state's monitoring and evaluation efforts must facilitate understanding the extent to which the demonstration might support reducing existing disparities in access to and quality of care and health outcomes.

Eligible juveniles and targeted low-income children eligible under 1902(a)(84)(D) and 2102(d)(2) of the Act, respectively, are included under this reentry demonstration initiative and must be included in applicable monitoring and evaluation activities.

Consideration of Public Comments

CMS held its federal comment period from October 1, 2024, through October 31, 2024, for the Michigan Reentry Services demonstration application, receiving a total of 11 comments, two of which were unrelated to the demonstration. Of the nine relevant comments, six came from advocacy organizations, one from a research institution, and two from individuals.

Overall, commenters expressed strong support for Michigan's request to extend Medicaid coverage to eligible adults and youth transitioning from correctional facilities. They emphasized that the demonstration would help ensure continuous access to necessary care and services and would play a critical role in addressing racial health disparities and improving maternal health outcomes. Others offered recommendations for enhancing the program, including to propose that

Michigan include jails in the initial stage of implementation and cover both inpatient and outpatient medically necessary procedures, including physical health and behavioral health services. Additionally, commenters encouraged CMS to permit health centers to receive Medicaid Prospective Payment System payment rates for reentry services and to consider integrating psychiatric advance directives into the reentry demonstration, believing this would help the demonstration's goals. Another organization recommended that CMS encourage Michigan to extend continuous Medicaid eligibility for up to 12 months post-release, to prevent gaps in care that could negatively impact health outcomes for this high-risk population.

CMS has taken into consideration the proposed recommendations and has determined that incorporating these suggestions is at the state's discretion as the suggestions were either not requested or do not require section 1115 authority. After carefully reviewing the demonstration proposal and the public comments submitted during the federal comment period, CMS has concluded that the demonstration is likely to assist in promoting the objectives of Medicaid.

Other Information

CMS' approval of this demonstration is conditioned upon compliance with the enclosed amended set of waiver and expenditure authorities and the STCs defining the nature, character, and extent of anticipated federal involvement in the demonstration. The award is subject to our receiving your acknowledgement of the award and acceptance of these STCs within 30 days of the date of this letter. Your project officer, Kamia Rathore, is available to answer any questions concerning this demonstration, and her contact information is as follows:

Centers for Medicare & Medicaid Services
Center for Medicaid and CHIP Services
Mail Stop S2-25-26
7500 Security Boulevard
Baltimore, Maryland 21244-1850
Email: Kamia.Rathore@cms.hhs.gov

If you have any questions regarding this approval, please contact Jacey Cooper, Director, State Demonstrations Group, Center for Medicaid and CHIP Services, at (410) 786-9686.

Sincerely,

Chiquita Brooks-LaSure

Enclosure

cc: Keri Toback, State Monitoring Lead, Medicaid and CHIP Operations Group

CENTERS FOR MEDICARE & MEDICAID SERVICES

WAIVER AUTHORITY

NUMBER: 11-W-00499/5

TITLE: Reentry Services Section 1115(a) Demonstration

AWARDEE: Michigan Department of Health and Human Services

Under the authority of the Section 1115(a)(1) of the Social Security Act ("the Act"), the following waivers are granted to enable Michigan (referred to herein as the state or the State) to operate the Reentry Services demonstration. These waivers are effective beginning December 27, 2024 and are limited to the extent necessary to achieve the objectives below. These waivers may only be implemented consistent with the approved Special Terms and Conditions (STCs) set forth in the accompanying document.

As discussed in the Centers for Medicare & Medicaid Services' (CMS) approval letter, the Secretary of Health and Human Services has determined that the Reentry Services demonstration, including the granting of the waivers described below, is likely to assist in promoting the objectives of titles XIX and XXI of the Act.

Except as provided below with respect to expenditure authority, all requirements of the Medicaid program expressed in law, regulation and policy statement, not expressly waived in this list, shall apply to the demonstration project for the period beginning December 27, 2024 through December 31, 2029.

1. Coverage of Certain Screening, Diagnostic, and Targeted Case Management Services for Eligible Juveniles in the 30 Days Prior to Release Section 1902(a)(84)(D)

To enable the state not to provide coverage of the screening, diagnostic, and targeted case management services identified in section 1902(a)(84)(D) of the Act for eligible juveniles described in section 1902(nn)(2) of the Act as a state plan benefit in the 30 days prior to the release of such eligible juveniles from a public institution, to the extent and for the period that the state instead provides such coverage to such eligible juveniles under the approved expenditure authorities under this demonstration. The state will provide coverage to eligible juveniles described in section 1902(nn)(2) in alignment with section 1902(a)(84)(D) of the Act at a level equal to or greater than would be required under the state plan.

Title XXI Waiver Authority

All requirements of the CHIP program expressed in law, regulation and policy statement, not expressly waived or identified as not applicable in accompanying expenditure authorities and/or these special terms and conditions (STCs), shall apply to the demonstration project through

December 31, 2029 In addition, these waivers may only be implemented consistent with the approved STCs.

Under the authority of section 1115(a)(1) of the Act, the following waiver of state plan requirements contained in section 2102 of the Act are granted for the Reentry Services section 1115 demonstration, subject to these STCs.

1. Coverage of Certain Screening, Diagnostic, Referral, and Case Management Services for Targeted Low-Income Children in the 30 Days Prior to Release Section 2102(d)(2)

To enable the state not to provide coverage of the screening, diagnostic, referral, and case management services identified in section 2102(d)(2) of the Act for a targeted low-income child as a state plan benefit in the 30 days prior to the release of such targeted low-income child from a public institution, to the extent and for the period that the state instead provides such coverage to such targeted low-income children under the approved expenditure authorities under this demonstration. The state will provide coverage to targeted low-income children in alignment with section 2102(d)(2) of the Act at a level equal to or greater than would be required under the state plan.

CENTERS FOR MEDICARE & MEDICAID SERVICES

EXPENDITURE AUTHORITY

NUMBER: 11-W-00499/5

TITLE: Reentry Services Section 1115(a) Demonstration

AWARDEE: Michigan Department of Health and Human Services

Under the authority of section 1115(a)(2) of the Social Security Act ("the Act"), expenditures made by Michigan for the items identified below, which are not otherwise included as expenditures under section 1903 of the Act shall, for the period from December 27, 2024 through December 31, 2029 unless otherwise specified, be regarded as expenditures under the state's title XIX plan.

The following expenditure authorities may only be implemented consistent with the approved Special Terms and Conditions (STC) and shall enable Michigan to operate the above-identified section 1115(a) demonstration.

Title XIX

1. **Expenditures for Pre-Release Services.** Expenditures for pre-release services, as described in these special terms and conditions (STCs), provided to qualifying Medicaid individuals for up to 90 days immediately prior to the expected date of release from a correctional facility that is participating in the reentry demonstration initiative.

2. **Expenditures for Pre-Release Administrative Costs.** Capped expenditures for payments for allowable administrative costs, supports, transitional non-service expenditures, infrastructure and interventions, as is detailed in STC 5.12, which may not be recognized as medical assistance under section 1905(a) and may not otherwise qualify for federal matching funds under section 1903, to the extent such activities are authorized as part of the reentry demonstration initiative.

Title XXI

1. **Expenditures for Pre-Release Services.** Expenditures for pre-release services, as described in these STCs, provided to qualifying Children's Health Insurance Program (CHIP) individuals who are or would be eligible for CHIP if not for their incarceration status, for up to 90 days immediately prior to the expected date of release from a correctional facility that is participating in the reentry demonstration initiative.

Medicaid Requirements Not Applicable to the Medicaid Expenditure Authority for Pre-Release Services:

Statewideness **Section 1902(a)(1)**

To enable the state to provide pre-release services, as authorized under this demonstration, to qualifying individuals on a geographically limited basis, in accordance with the Reentry Demonstration Initiative Implementation Plan.

Amount, Duration, and Scope of Services and Comparability **Section 1902(a)(10)(B)**

To enable the state to provide only a limited set of pre-release services, as specified in these STCs, to qualifying individuals that is different than the services available to all other individuals outside of correctional facility settings in the same eligibility groups authorized under the state plan or demonstration authority.

Freedom of Choice **Section 1902(a)(23)(A)**

To enable the state to require qualifying individuals to receive pre-release services, as authorized under this demonstration, through only certain providers.

CENTERS FOR MEDICARE & MEDICAID SERVICES

SPECIAL TERMS AND CONDITIONS

NUMBER: 11-W-00499/5

TITLE: Reentry Services Section 1115(a) Demonstration

AWARDEE: Michigan Department of Health and Human Services

1. PREFACE

The following are the Special Terms and Conditions (STC) for the "Reentry Services" section 1115(a) Medicaid demonstration (hereinafter "demonstration"), to enable the Michigan Department of Health and Human Services (hereinafter "state") to operate this demonstration. The Centers for Medicare & Medicaid Services (CMS) has granted waivers of requirements under section 1902(a) of the Social Security Act ("the Act"), and expenditure authorities authorizing federal matching of demonstration costs not otherwise matchable, which are separately enumerated. These STCs set forth conditions and limitations on those waivers and expenditure authorities, and describe in detail the nature, character, and extent of federal involvement in the demonstration and the state's obligations to CMS related to the demonstration. These STCs neither grant additional waivers or expenditure authorities, nor expand upon those separately granted.

The STCs related to the programs for those populations affected by the demonstration are effective from December 27, 2024 through December 31, 2029, unless otherwise specified.

The STCs have been arranged into the following subject areas:

1	Preface
2	Program Description and Objectives
3	General Program Requirements
4	Eligibility and Enrollment
5	Reentry Demonstration Initiative
6	Cost Sharing
7	Delivery System
8	Monitoring and Reporting Requirements
9	Evaluation of the Demonstration
10	General Financial Requirements
11	Monitoring Budget Neutrality for the Demonstration
12	Schedule of Deliverables for the Demonstration Period

Additional attachments have been included to provide supplementary information and guidance for specific STCs.

Attachment A	Developing the Evaluation Design
Attachment B	Preparing the Interim and Summative Evaluation Reports
Attachment C	Reserved for Reentry Demonstration Initiative Implementation Plan
Attachment D	Reserved for Reentry Demonstration Initiative Reinvestment Plan
Attachment E	Reentry Demonstration Initiative Services
Attachment F	Reserved for Monitoring Protocol

2. PROGRAM DESCRIPTION AND OBJECTIVES

In October 2024, Michigan submitted the Reentry Services section 1115 demonstration application. Michigan's request aligns with CMS's State Medicaid Director (SMD) letter # 23-003, "Opportunities to Test Transition-Related Strategies to Support Community Reentry and Improve Care Transitions for Individuals Who Are Incarcerated," issued April 17, 2023. On December 27, 2024 CMS approved a new section 1115 (a) demonstration to allow the state to provide a targeted set of pre-release services for certain individuals for 90 days immediately prior to their expected date of release from a participating correctional facility. CMS has also authorized payments for allowable administrative costs related to implementation of these pre-release services. In this demonstration, the state is seeking to improve care for adults and youth transitioning from correctional facilities into the community and strengthen connections across Medicaid, carceral settings, health and social services agencies, community-based providers, and other entities to promote the health and wellbeing of justice-involved individuals and support their successful reentry into the community.

3. GENERAL PROGRAM REQUIREMENTS

3.1. **Compliance with Federal Non-Discrimination Statutes.** The state must comply with all applicable federal statutes relating to non-discrimination. These include, but are not limited to, the Americans with Disabilities Act of 1990 (ADA), Title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973 (Section 504), the Age Discrimination Act of 1975, and section 1557 of the Patient Protection and Affordable Care Act (Section 1557).

3.2. **Compliance with Medicaid and Children's Health Insurance Program (CHIP) Law, Regulation, and Policy.** All requirements of the Medicaid and CHIP programs expressed in federal law, regulation, and policy statement, not expressly waived or identified as not applicable in the waiver and expenditure authority documents (of which these terms and conditions are part), apply to the demonstration.

3.3. **Changes in Medicaid and CHIP Law, Regulation, and Policy.** The state must, within the timeframes specified in federal law, regulation, or written policy, come into compliance with changes in law, regulation, or policy affecting the Medicaid or CHIP programs that occur during this demonstration approval period, unless the provision being changed is expressly waived or identified as not applicable. In addition, CMS reserves the right to amend the STCs to reflect such changes and/or changes as needed without requiring the state to submit an amendment to the demonstration under STC

3.7. CMS will notify the state 30 business days in advance of the expected approval date of the amended STCs to allow the state to provide comment. Changes will be considered in force upon issuance of the approval letter by CMS. The state must accept the changes in writing.

3.4. **Impact on Demonstration of Changes in Federal Law, Regulation, and Policy.**

a. To the extent that a change in federal law, regulation, or policy requires either a reduction or an increase in federal financial participation (FFP) for expenditures made under this demonstration, the state must adopt, subject to CMS approval, a modified budget neutrality agreement for the demonstration as necessary to comply with such change, as well as a modified allotment neutrality worksheet as necessary to comply with such change. The trend rates for the budget neutrality agreement are not subject to change under this subparagraph. Further, the state may seek an amendment to the demonstration (as per STC 3.7 of this section) as a result of the change in FFP.

b. If mandated changes in the federal law require state legislation, unless otherwise prescribed by the terms of the federal law, the changes must take effect on the earlier of the day such state legislation becomes effective, or on the last day such legislation was required to be in effect under the law, whichever is sooner.

3.5. **State Plan Amendments.** The state will not be required to submit title XIX or XXI state plan amendments (SPAs) for changes affecting any populations made eligible solely through the demonstration. If a population eligible through the Medicaid or CHIP state plan is affected by a change to the demonstration, a conforming amendment to the appropriate state plan is required, except as otherwise noted in these STCs. In all such cases, the Medicaid and CHIP state plans govern.

3.6. **Changes Subject to the Amendment Process.** Changes related to eligibility, enrollment, benefits, beneficiary rights, delivery systems, cost sharing, sources of non-federal share of funding, budget neutrality, and other comparable program elements must be submitted to CMS as amendments to the demonstration. All amendment requests are subject to approval at the discretion of the Secretary in accordance with section 1115 of the Act. The state must not implement changes to these elements without prior approval by CMS either through an approved amendment to the Medicaid or CHIP state plan or amendment to the demonstration. Amendments to the demonstration are not retroactive and no FFP of any kind, including for administrative or medical assistance expenditures, will be available under changes to the demonstration that have not been approved through the amendment process set forth in STC 3.7 below, except as provided in STC 3.3.

3.7. **Amendment Process.** Requests to amend the demonstration must be submitted to CMS for approval no later than 120 calendar days prior to the planned date of implementation of the change and may not be implemented until approved. CMS reserves the right to deny or delay approval of a demonstration amendment based on non-compliance with these STCs, including but not limited to the failure by the state to

submit required elements of a complete amendment request as described in this STC, and failure by the state to submit required reports and other deliverables according to the deadlines specified therein. Amendment requests must include, but are not limited to, the following:

a. An explanation of the public process used by the state, consistent with the requirements of STC 3.12. Such explanation must include a summary of any public feedback received and identification of how this feedback was addressed by the state in the final amendment request submitted to CMS;

b. A detailed description of the amendment, including impact on beneficiaries, with sufficient supporting documentation;

c. A data analysis which identifies the specific "with waiver" impact of the proposed amendment on the current budget neutrality agreement. Such analysis must include current total computable "with waiver" and "without waiver" status on both a summary and detailed level through the current approval period using the most recent actual expenditures, as well as summary and detailed projections of the change in the "with waiver" expenditure total as a result of the proposed amendment, which isolates (by Eligibility Group) the impact of the amendment;

d. An up-to-date CHIP allotment worksheet, if necessary;

e. The state must provide updates to existing demonstration reporting and quality and evaluation plans. This includes a description of how the evaluation design and annual progress reports will be modified to incorporate the amendment provisions, as well as the oversight, monitoring and measurement of the provisions.

3.8. **Extension of the Demonstration.** States that intend to request an extension of the demonstration extension must submit an application to CMS from the Governor of the state in accordance with the requirements of 42 Code of Federal Regulations (CFR) 431.412(c). States that do not intend to request an extension of the demonstration beyond the period authorized in these STCs must submit a phase-out plan consistent with the requirements of STC 3.9.

3.9. **Demonstration Phase-Out.** The state may only suspend or terminate this demonstration in whole, or in part, consistent with the following requirements.

a. Notification of Suspension or Termination. The state must promptly notify CMS in writing of the reason(s) for the suspension or termination, together with the effective date and a transition and phase-out plan. The state must submit a notification letter and a draft transition and phase-out plan to CMS no less than six months before the effective date of the demonstration's suspension or termination. Prior to submitting the draft transition and phase-out plan to CMS, the state must publish on its website the draft transition and phase-out plan for a 30-day public comment period. In addition, the state must conduct tribal

consultation in accordance with STC 3.12, if applicable. Once the 30-day public comment period has ended, the state must provide a summary of the issues raised by the public during the comment period and how the state considered the comments received when developing the revised transition and phase-out plan.

b. Transition and Phase-out Plan Requirements. The state must include, at a minimum, in its phase-out plan the process by which it will notify affected beneficiaries, the content of said notices (including information on the beneficiary's appeal rights), the process by which the state will conduct redeterminations of Medicaid or CHIP eligibility prior to the termination of the demonstration for the affected beneficiaries, and ensure ongoing coverage for eligible beneficiaries, as well as any community outreach activities the state will undertake to notify affected beneficiaries, including community resources that are available.

c. Transition and Phase-out Plan Approval. The state must obtain CMS approval of the transition and phase-out plan prior to the implementation of transition and phase-out activities. Implementation of transition and phase-out activities must be no sooner than 14 calendar days after CMS approval of the transition and phase-out plan.

d. Transition and Phase-out Procedures. The state must redetermine eligibility for all affected beneficiaries in order to determine if they qualify for Medicaid eligibility under a different eligibility category prior to making a determination of ineligibility as required under 42 CFR 435.916(d)(1). For individuals determined ineligible for Medicaid and CHIP, the state must determine potential eligibility for other insurance affordability programs and comply with the procedures set forth in 42 CFR 435.1200(e). The state must comply with all applicable advance notice requirements and fair hearing rights described at 42 CFR 431, Subpart E. If a beneficiary in the demonstration requests a hearing before the date of action, the state must maintain benefits as required in 42 CFR 431.230.

e. Exemption from Public Notice Procedures 42 CFR Section 431.416(g). CMS may expedite the federal and state public notice requirements under circumstances described in 42 CFR 431.416(g).

f. Enrollment Limitation during Demonstration Phase-Out. If the state elects to suspend, terminate, or not extend this demonstration, during the last six months of the demonstration, enrollment of new individuals into the demonstration must be suspended. The limitation of enrollment into the demonstration does not impact the state's obligation to determine Medicaid eligibility in accordance with the approved Medicaid state plan.

g. Federal Financial Participation (FFP). If the project is terminated or any relevant waivers are suspended by the state, FFP must be limited to normal closeout costs associated with the termination or expiration of the demonstration including

services, continued benefits as a result of beneficiaries' appeals, and administrative costs of disenrolling beneficiaries.

3.10. **Withdrawal of Waiver or Expenditure Authority.** CMS reserves the right to withdraw waivers and/or expenditure authorities at any time it determines that continuing the waiver or expenditure authorities would no longer be in the public interest or promote the objectives of title XIX and title XXI. CMS will promptly notify the state in writing of the determination and the reasons for the withdrawal, together with the effective date, and afford the state an opportunity to request a hearing to challenge CMS's determination prior to the effective date. If a waiver or expenditure authority is withdrawn, FFP is limited to normal closeout costs associated with terminating the waiver or expenditure authority, including services, continued benefits as a result of beneficiary appeals, and administrative costs of disenrolling beneficiaries.

3.11. **Adequacy of Infrastructure.** The state must ensure the availability of adequate resources for implementation and monitoring of the demonstration, including education, outreach, and enrollment; maintaining eligibility systems; compliance with cost sharing requirements; and reporting on financial and other demonstration components.

3.12. **Public Notice, Tribal Consultation, and Consultation with Interested Parties.** The state must comply with the state notice procedures as required in 42 CFR section 431.408 prior to submitting an application to extend the demonstration. For applications to amend the demonstration, the state must comply with the state notice procedures set forth in 59 Fed. Reg. 49249 (September 27, 1994) prior to submitting such request. The state must also comply with the Public Notice Procedures set forth in 42 CFR 447.205 for changes in statewide methods and standards for setting payment rates.

The state must also comply with tribal and Indian Health Program/Urban Indian Organization consultation requirements at section 1902(a)(73) of the Act, 42 CFR 431.408(b), State Medicaid Director Letter #01-024, or as contained in the state's approved Medicaid State Plan, when any program changes to the demonstration, either through amendment as set out in STC 3.7 or extension, are proposed by the state.

3.13. **Federal Financial Participation (FFP).** No federal matching funds for expenditures for this demonstration, including for administrative and medical assistance expenditures, will be available until the effective date identified in the demonstration approval letter, or if later, as expressly stated within these STCs.

3.14. **Administrative Authority.** When there are multiple entities involved in the administration of the demonstration, the Single State Medicaid Agency must maintain authority, accountability, and oversight of the program. The State Medicaid Agency must exercise oversight of all delegated functions to operating agencies, MCOs, and any other contracted entities. The Single State Medicaid Agency is responsible for the content and oversight of the quality strategies for the demonstration.

3.15. **Common Rule Exemption.** The state must ensure that the only involvement of human subjects in research activities that may be authorized and/or required by this demonstration is for projects which are conducted by or subject to the approval of CMS, and that are designed to study, evaluate, or otherwise examine the Medicaid or CHIP program – including public benefit or service programs, procedures for obtaining Medicaid or CHIP benefits or services, possible changes in or alternatives to Medicaid or CHIP programs and procedures, or possible changes in methods or levels of payment for Medicaid benefits or services. CMS has determined that this demonstration as represented in these approved STCs meets the requirements for exemption from the human subject research provisions of the Common Rule set forth in 45 CFR 46.104(d)(5).

4. ELIGIBILITY AND ENROLLMENT

4.1. **Eligibility Groups Affected by the Demonstration.** Under the demonstration, there is no change to Medicaid eligibility. All full coverage eligibility groups are covered under the demonstration. Standards for eligibility remain set forth under the state plan. All affected groups derive their eligibility through the Medicaid state plan, and are subject to all applicable Medicaid laws and regulations in accordance with the Medicaid state plan. Medicaid eligibility standards and methodologies for these eligibility groups remain applicable. Medically needy groups will not be covered.

5. REENTRY DEMONSTRATION INITIATIVE

5.1. **Overview of Pre-Release Services and Program Objectives.** This component of the demonstration will provide coverage for pre-release services up to 90 days immediately prior to the expected date of release to certain individuals who are inmates residing in state prisons, local county jails, tribal correctional facilities, and juvenile facilities (including Juvenile Justice Facilities and County-Operated Juvenile Detention Centers) (hereinafter "correctional facilities"). To qualify for services covered under this demonstration, individuals residing in correctional facilities must be eligible for Medicaid or CHIP as determined pursuant to an application filed before or during incarceration and must have an expected release date no later than 90 days as further specified in the STCs below.

5.2. The objective of the demonstration is to facilitate individuals' access to certain healthcare services and case management, provided by Medicaid and CHIP participating providers, while individuals are incarcerated and allow them to establish relationships with community-based providers from whom they can receive services upon reentry to their communities. This bridge to coverage begins within a short time prior to release and is expected to promote continuity of coverage and care and improve health outcomes for justice-involved individuals. The reentry demonstration initiative provides short-term Medicaid and CHIP enrollment assistance and pre-release coverage for certain services to facilitate successful care transitions, as well as improve the identification and treatment of certain chronic and other serious conditions to reduce acute care utilization in the period soon after release, and test whether it improves

uptake and continuity of medication-assisted treatment (MAT) and other Substance Use Disorder (SUD) and behavioral health treatments, as appropriate for the individual.

During the demonstration, the state seeks to achieve the following goals:

a. Increase coverage, continuity of care, and appropriate service uptake through assessment of eligibility and availability of coverage for benefits in correctional facility settings prior to release;

b. Improve access to services prior to release and improve transitions and continuity of care into the community upon release and during reentry;

c. Improve coordination and communication between correctional systems, Medicaid and CHIP systems, managed care plans (as applicable), and community-based providers;

d. Increase additional investments in health care and related services, aimed at improving the quality of care for individuals in correctional facility settings, and in the community to maximize successful reentry post-release;

e. Improve connections between correctional facility settings and community services upon release to address physical and behavioral health needs, and health-related social needs;

f. Reduce all-cause deaths in the near-term post-release;

g. Reduce the number of emergency department visits and inpatient hospitalizations among recently incarcerated Medicaid and CHIP individuals through increased receipt of preventive and routine physical and behavioral health care;

h. Provide interventions for certain behavioral health conditions, including use of stabilizing medications like long-acting injectable antipsychotics and medication for addiction treatment for SUDs where appropriate, with the goal of reducing overdose and overdose-related death in the near-term post-release.

5.3. **Qualifying Criteria for Pre-Release Services.** To qualify to receive services under this component of the demonstration, an individual must meet the following qualifying criteria:

a. Meet the definition of an inmate of a public institution, as specified in 42 CFR 435.1010, and be incarcerated in a correctional facility specified in STC 5.1;

b. Have been determined eligible for Medicaid or CHIP if not for their incarceration status; and

c. Have an expected release date within 90 days.

5.4. **Scope of Pre-Release Services.** The pre-release services authorized under the reentry demonstration initiative include the following services, which are described in Attachment E, Reentry Demonstration Initiative Services.

a. The covered pre-release services are:

i. Case management to assess and address physical and behavioral health needs, and health-related social needs;

ii. MAT for all types of SUDs as clinically appropriate, including coverage for medications in combination with counseling/behavioral therapies;

iii. Practitioner office visit (e.g., physical exam; wellness exam; evaluation and management visit; mental health or substance use disorder treatment, therapy, or counseling; or other);

iv. Diagnostic services, including laboratory and radiology services;

v. Prescribed drugs (in addition to MAT and the 30-day supply of prescription medications) and medication administration; and

vi. Medical equipment and supplies.

b. The state must also provide a 30-day supply of all prescription medications and over-the-counter drugs (as clinically appropriate), provided to the individual immediately upon release from the correctional facility, consistent with approved Medicaid or CHIP state plan coverage authority and policy.

c. The expenditure authority for pre-release services through this initiative constitutes a limited exception to the federal claiming prohibition for medical assistance furnished to inmates of a public institution at clause (A) following section 1905(a) of the Act ("inmate exclusion rule"). Similarly, for CHIP, the expenditure authority for pre-release services constitutes a limited exception to the general exclusion of children who are inmates of a public institution from the definition of a targeted low-income child under section 2110(b)(2)(A) of the Act ("child exclusion rule"). Benefits and services for inmates of a public institution that are not approved in the reentry demonstration initiative as described in these STCs and accompanying protocols, and not otherwise covered under the inpatient exception to the inmate exclusion rule or an exception in section 2110(b)(7) of the Act to the child exclusion rule remain subject to the inmate exclusion rule or the child exclusion rule, as applicable. Accordingly, other benefits and services covered under the Michigan Medicaid or CHIP State Plans, as relevant, that are not included in the above-described pre-release services (e.g., EPSDT treatment services for qualifying Medicaid beneficiaries under age 21) are not available to qualifying individuals through the reentry demonstration initiative.

5.5. **Participating Correctional Facilities**. The pre-release services will be provided at state prisons, local county jails, tribal correctional facilities, and juvenile facilities

(including Juvenile Justice Facilities and County-Operated Juvenile Detention Centers), or outside of the correctional facilities, with appropriate transportation and security oversight provided by the correctional facility, subject to Michigan's Department of Health and Human Services approval of a facility's readiness, according to the implementation timeline described in STC 5.9. States must be mindful of and ensure the policies, procedures, and processes developed to support implementation of these provisions do not effectuate a delay of an individual's release or lead to increased involvement in the juvenile and adult justice systems. Correctional facilities that are also institutions for mental diseases (IMDs) are not allowed to participate in the reentry demonstration initiative.

5.6. **Participating Providers.**

a. Licensed, registered, certified, or otherwise appropriately credentialed or recognized practitioners under Michigan scope of practice statutes shall provide services within their individual scope of practice and, as applicable, receive supervision required under their scope of practice laws and must be enrolled as Medicaid or CHIP providers.

b. Participating providers eligible to deliver services under the reentry demonstration initiative may be either community-based or correctional facility-based providers.

c. All participating providers and provider staff, including correctional providers, shall have necessary experience and receive appropriate training, as applicable to a given correctional facility, prior to furnishing demonstration-covered pre-release services under the reentry demonstration initiative.

d. Participating providers of reentry case management services may be community-based or correctional providers who have expertise working with justice-involved individuals.

5.7. **Suspension of Coverage**. Upon entry of a Medicaid-enrolled or CHIP individual into a correctional facility, Michigan's Department of Health and Human Services must not terminate and generally shall suspend their Medicaid coverage or CHIP eligibility.

a. If an individual is not enrolled in Medicaid or CHIP when entering a correctional facility, the state must ensure that such an individual receives assistance with completing an application for Medicaid or CHIP and with submitting an application, unless the individual declines such assistance or wants to decline enrollment.

5.8. **Interaction with Mandatory State Plan Benefits for Eligible Juveniles and Targeted Low-Income Children.** To the extent Michigan's reentry demonstration initiative includes coverage otherwise required to be provided under section 1902(a)(84)(D) and section 2102(d)(2) of the Act, and because this coverage is included in the base expenditures used to determine the budget neutrality or allotment neutrality expenditure limit, the state will claim for these expenditures and related

transitional non-service expenditures under this demonstration as well as include this coverage in the monitoring and evaluation of this demonstration.

5.9. **Reentry Demonstration Initiative Implementation Timeline.** Delivery of pre-release services under this demonstration will be implemented as described below. All participating correctional facilities must demonstrate readiness, as specified below, prior to participating in this initiative (FFP will not be available in expenditures for services furnished to qualifying individuals who are inmates in a facility before the facility meets the below readiness criteria for participation in this initiative). The Michigan Department of Health and Human Services will determine that each applicable facility is ready to participate in the reentry demonstration initiative under this demonstration based on a facility-submitted assessment (and appropriate supporting documentation) of the facility's readiness to implement:

a. Pre-release Medicaid and CHIP application and enrollment processes for individuals who are not enrolled in Medicaid or CHIP prior to incarceration and who do not otherwise become enrolled during incarceration;

b. The screening process to determine an individual's qualification for pre-release services, per the eligibility requirements described in STC 5.3;

c. The provision or facilitation of pre-release services for a period of up to 90 days immediately prior to the expected date of release, including the facility's ability to support the delivery of services furnished by providers in the community that are delivered via telehealth, as applicable;

d. Michigan will require participating facilities to select a Service Level for implementation. Service Level One consists of the expected minimum set of pre-release services as indicated in the State Medicaid Director Letter (SMDL) (#23-003 Opportunities to Test Transition-Related Strategies to Support Community Reentry and Improve Care Transitions for Individuals who are Incarcerated) and identified in STC 5.4(a) and (b), and must be the first Service Level category that is implemented. The state may define additional Service Level categories in its Implementation Plan. As applicable, additional service levels may be phased-in by facilities in any order, e.g., Service Level Two would not be a prerequisite for phasing-in Service Level Three, except that no facility may be a participating correctional facility that does not at least achieve and maintain provision of Service Level One. A facility must demonstrate to the state that it is prepared to implement all the services in Service Level One and within any chosen Service Level, if applicable;

e. Coordination amongst partners with a role in furnishing health care services to individuals who qualify for pre-release services, including, but not limited to, physical and behavioral health community-based providers, social service departments and managed care plans;

f. Appropriate reentry planning, pre-release case management, and assistance with care transitions to the community, including connecting individuals to physical and behavioral health providers and their managed care plan (as applicable), and making referrals to case management and community supports providers that take place throughout the 90-day pre-release period, and providing individuals with covered outpatient prescribed medications and over-the-counter drugs (a minimum 30-day supply as clinically appropriate) upon release, consistent with approved Medicaid or CHIP state plan coverage authority and policy;

g. Operational approaches related to implementing certain Medicaid and CHIP requirements, including but not limited to applications, suspensions, notices, fair hearings, reasonable promptness for coverage of services, and any other requirements specific to receipt of pre-release services by qualifying individuals under the reentry demonstration initiative;

h. A data exchange process to support the care coordination and transition activities described in (e), (f), and (g) of this subsection subject to compliance with applicable federal, state, and local laws governing confidentiality, privacy, and security of the information that would be disclosed among parties;

i. Reporting of data requested by the Michigan Department of Health and Human Services to support program monitoring, evaluation, and oversight; and

j. A staffing and project management approach for supporting all aspects of the facility's participation in the reentry demonstration initiative, including information on qualifications of the providers with whom the correctional facilities will partner for the provision of pre-release services.

5.10. **Reentry Demonstration Initiative Implementation Plan**. The state is required to submit a Reentry Demonstration Initiative Implementation Plan. As such, the implementation plan will identify for each milestone, as well as each associated action, what the state anticipates to be the key implementation challenges and the state's specific plans to address these challenges. This will include any plans to phase in demonstration components over the lifecycle of the demonstration.

a. The state must submit the draft Implementation Plan to CMS no later than 120 calendar days after approval of the reentry demonstration initiative. The state must submit any required clarifications or revisions to its draft Implementation Plan no later than 60 calendar days after receipt of CMS feedback. The finalized Implementation Plan will be incorporated into the STCs as Attachment C titled "Reentry Demonstration Initiative Implementation Plan."

b. CMS will provide the state with a template to support developing the Implementation Plan.

5.11. **Reentry Demonstration Initiative Reinvestment Plan**. To the extent that the reentry demonstration initiative covers services that are the responsibility of and were

previously provided or paid by the correctional facility with custody of qualifying individuals, the state must reinvest all new federal dollars, equivalent to the amount of FFP projected to be expended for such services, as further defined in the Reentry Demonstration Initiative Reinvestment Plan (Attachment D) and subject to CMS approval. The Reinvestment Plan will define the amount of reinvestment required over the term of the demonstration, based on an assessment of the amount of projected expenditures for which reinvestment is required pursuant to this STC. FFP projected to be expended for new services covered under the reentry demonstration initiative, defined as services not previously provided or paid by the correctional facility or carceral authority with custody of qualifying individuals prior to the facility's implementation of the reentry demonstration initiative (including services that are expanded, augmented, or enhanced to meet the requirements of the reentry demonstration initiative, with respect to the relevant increase in expenditures, as described in Attachment D (the Reentry Demonstration Initiative Reinvestment Plan), is not required to be reinvested pursuant to this STC.

a. Reinvestments in the form of non-federal expenditures totaling the amount of new federal dollars, as described above, must be made over the course of the demonstration period. Allowable reinvestments include, but are not limited to:

    i. The state share of funding associated with new services covered under the reentry demonstration initiative, as specified in this STC;

    ii. Improved access to behavioral and physical community-based health care services and capacity focused on meeting the health care needs and addressing the needs of individuals who are incarcerated (including those who are soon-to-be released), those who have recently been released, and those who may be at higher risk of criminal justice involvement, particularly due to untreated behavioral health conditions;

    iii. Improved access to or quality of carceral health care services, including by covering new, enhanced, or expanded pre-release services authorized via the reentry demonstration initiative opportunity;

    iv. Improved health information technology (IT) and data sharing subject to compliance with applicable federal, state, and local laws governing confidentiality, privacy, and security of the information that would be disclosed among parties;

    v. Increased community-based provider capacity that is particularly attuned to the specific needs of, and able to serve, justice-involved individuals or individuals at risk of justice involvement;

    vi. Expanded or enhanced community-based services and supports, including services and supports to meet the needs of the justice-involved population; and

vii. Any other investments that aim to support reentry, smooth transitions into the community, divert individuals from incarceration or re-incarceration, or better the health of the justice-involved population, including investments that are aimed at interventions occurring both prior to and following release from incarceration into the community.

b. The reinvestment plan will describe whether privately-owned or -operated carceral facilities would receive any of the reinvested funds and, if so, the safeguards the state proposes to ensure that such funds are used for the intended purpose and do not have the effect of increasing profit or operating margins for privately-owned or -operated carceral facilities.

c. Within six months of approval, the state will submit a Reentry Demonstration Initiative Reinvestment Plan (Attachment D) for CMS approval that memorializes the state's reinvestment approach. The Reinvestment Plan will also identify the types of expected reinvestments that will be made over the demonstration period. Actual reinvestments will be reported to CMS in Attachment D titled "Reentry Demonstration Initiative Reinvestment Plan."

5.12. **Reentry Demonstration Initiative Planning and Implementation.**

a. The Reentry Demonstration Initiative Planning and Implementation Program will provide expenditure authority to fund supports needed for Medicaid and CHIP pre-release application and suspension/unsuspension planning and purchase of certified electronic health record (EHR) technology to support Medicaid and CHIP pre-release applications. In addition, reentry demonstration initiative planning and implementation funds will provide funding over the course of the demonstration to support planning and IT investments that will enable implementation of the reentry demonstration initiative services covered in a period for up to 90 days immediately prior to the expected date of release, and for care coordination to support reentry. These investments will support collaboration and planning among the Michigan Department of Health and Human Services and Qualified Applicants listed in STC 5.12(d) below. The specific use of this funding will be proposed by the qualified applicant submitting the application, as the extent of approved funding will be determined according to the needs of the entity. Allowable expenditures are limited to only those that support Medicaid-related expenditures and/or demonstration-related expenditures (and not other activities or staff in the correctional facility) and must be properly cost-allocated to Medicaid and CHIP. These allowable expenditures may include the following:

i. **Technology and IT Services.** Expenditures for the purchase of technology for Qualified Applicants which are to be used for assisting the reentry demonstration initiative population with Medicaid and CHIP application and enrollment for demonstration coverage (e.g., for inmates who would be eligible for CHIP but for their incarceration status and coordinating pre-release and post-release services for enrollees). This includes the development of electronic interfaces for Qualified Applicants

listed in STC 5.12(d). to communicate with Medicaid and CHIP IT systems to support Medicaid and CHIP enrollment and suspension/unsuspension and modifications. This also includes support to modify and enhance existing IT systems to create and improve data exchange and linkages with Qualified Applicants listed in STC 5.12(d), in order to support the provision of pre-release services delivered in the period up to 90 days immediately prior to the expected date of release and reentry planning.

ii. **Hiring of Staff and Training.** Expenditures for Qualified Applicants listed in STC 5.12(d). to recruit, hire, onboard, and train additional and newly assigned staff to assist with the coordination of Medicaid and CHIP enrollment and suspension/unsuspension, as well as the provision of pre-release services in a period for up to 90 days immediately prior to the expected date of release and for care coordination to support reentry for justice-involved individuals. Qualified Applicants may also require training for staff focused on working effectively and appropriately with justice-involved individuals.

iii. **Adoption of Certified Electronic Health Record Technology.** Expenditures for providers' purchase or necessary upgrades of certified electronic health record (EHR) technology and training for the staff that will use the EHR.

iv. **Purchase of Billing Systems**. Expenditures for the purchase of billing systems for Qualified Applicants.

v. **Development of Protocols and Procedures**. Expenditures to support the specification of steps to be taken in preparation for and execution of the Medicaid and CHIP enrollment process, suspension/unsuspension process for eligible individuals, and provision of care coordination and reentry planning for a period for up to 90 days immediately prior to the expected date of release for individuals qualifying for reentry demonstration initiative services.

vi. **Additional Activities to Promote Collaboration**. Expenditures for additional activities that will advance collaboration among Michigan's Qualified Applicants in STC 5.12(d). This may include conferences and meetings convened with the agencies, organizations, and other stakeholders involved in the initiative.

vii. **Planning**. Expenditures for planning to focus on developing processes and information sharing protocols to: (1) identifying individuals who are potentially eligible for Medicaid and CHIP; (2) assisting with the completion of a Medicaid or CHIP application; (3) submitting the Medicaid or CHIP application to the county social services department or coordinating suspension/unsuspension; (4) screening for eligibility for pre-

release services and reentry planning in a period for up to 90 days immediately prior to the expected date of release; (5) delivering necessary services to eligible individuals in a period for up to 90 days immediately prior to the expected date of release and care coordination to support reentry; and (6) establishing on-going oversight and monitoring process upon implementation.

viii. **Other activities to support a milieu appropriate for provision of pre-release services.** Expenditures to provide a milieu appropriate for pre-release services in a period for up to 90 days immediately prior to the expected date of release, including accommodations for private space such as movable screen walls, desks, and chairs, to conduct assessments and interviews within correctional institutions, and support for installation of audio-visual equipment or other technology to support provision of pre-release services delivered via telehealth in a period for up to 90 days immediately prior to the expected date of release and care coordination to support reentry. Expenditures may not include building, construction, or refurbishment of correctional facilities.

b. The state may claim FFP in Reentry Demonstration Initiative Planning and Implementation Program expenditures for no more than the annual amounts outlined in Table 1. In the event that the state does not claim the full amount of FFP for a given demonstration year as defined in STC 10.12, the unspent amounts will roll over to one or more demonstration years not to exceed this demonstration period and the state may claim the remaining amount in a subsequent demonstration year.

Table 1. Annual Limits of Total Computable Expenditures for Reentry Demonstration Initiative Planning and Implementation Program

	DY 01	DY 02	DY 03	DY 04	DY 05
Total Computable Expenditures	$40,000,000	$18,000,000	$18,000,000	$4,500,000	

c. Reentry Demonstration Initiative Planning and Implementation funding will receive the applicable administrative match for the expenditure.

d. Qualified Applicants for the Reentry Demonstration Initiative Planning and Implementation Program will include the state Medicaid/CHIP Agency, correctional facilities, other state agencies supporting carceral health, Probation Offices, and other entities as relevant to the needs of justice-involved individuals, including health care providers, as approved by the state Medicaid/CHIP agency.

6. COST SHARING

6.1. **Cost sharing.** Cost sharing will not be imposed on the services authorized under the demonstration or for demonstration enrollees.

7. DELIVERY SYSTEM

7.1. **Delivery System.** There are no changes to Michigan's delivery system under this Demonstration. Pre-release services will be reimbursed on a fee-for-service basis.

8. MONITORING AND REPORTING REQUIREMENTS

8.1. **Deferral for Failure to Submit Timely Demonstration Deliverables.** CMS may issue deferrals in accordance with 42 CFR part 430 subpart C, in the amount of $5,000,000 per deliverable (federal share) when items required by these STCs (e.g., required data elements, analyses, reports, design documents, presentations, and other items specified in these STCs (hereafter singularly or collectively referred to as "deliverable(s)")) are not submitted timely to CMS or are found to be inconsistent with the requirements approved by CMS. A deferral shall not exceed the value of the federal amount for the demonstration. The state does not relinquish its rights provided under 42 CFR part 430 subpart C to challenge any CMS finding that the state materially failed to comply with the terms of this agreement.

In the event that either (1) the state has not submitted a written request to CMS for approval of an extension, as described below, within 30 calendar days after a deliverable was due, or (2) the state has not submitted a revised submission or a plan for corrective action to CMS within 30 calendar days after CMS has notified the state in writing that a deliverable was not accepted for being inconsistent with the requirements of this agreement including the information needed to bring the deliverable into alignment with CMS requirements; the following process is triggered:

a. CMS will issue a written notification to the state providing advance notification of a pending deferral for late or non-compliant submission of required deliverable(s). For each deliverable, the state may submit to CMS a written request for an extension to submit the required deliverable that includes a supporting rationale for the cause(s) of the delay and the state's anticipated date of submission. Should CMS agree to the state's request, a corresponding extension of the deferral process can be provided.

b. CMS may agree to a corrective action as an interim step before applying the deferral, if corrective action is proposed in the state's written extension request.

c. If CMS agrees to an interim corrective process in accordance with subsection (b), and the state fails to comply with the corrective action steps or still fails to submit the overdue deliverable(s) that meets the terms of this agreement, CMS may proceed with the issuance of a deferral against the next Quarterly Statement of Expenditures reported in Medicaid Budget and Expenditure System/State Children's Health Insurance Program Budget and Expenditure System (MBES/CBES) following a written deferral notification to the state.

d. If the CMS deferral process has been initiated for state non-compliance with the terms of this agreement for submitting deliverable(s), and the state submits the

overdue deliverable(s), and such deliverable(s) are accepted by CMS as meeting the standards outlined in these STCs, the deferral(s) will be released.

e. As the purpose of a section 1115 demonstration is to test new methods of operation or service delivery, a state's failure to submit all required reports, evaluations, and other deliverables will be considered by CMS in reviewing any application for an extension, amendment, or for a new demonstration.

8.2. **Submission of Post-Approval Deliverables.** The state must submit all deliverables as stipulated by CMS and within the timeframes outlined within these STCs.

8.3. **Compliance with Federal Systems Updates.** As federal systems continue to evolve and incorporate additional section 1115 demonstration reporting and analytics functions, the state will work with CMS to:

a. Revise the reporting templates and submission processes to accommodate timely compliance with the requirements of the new systems;

b. Ensure all section 1115, T-MSIS, and other data elements that have been agreed to for reporting and analytics are provided by the state; and

c. Submit deliverables to the appropriate system as directed by CMS.

8.4. **Monitoring Protocol.** The state must submit to CMS a Monitoring Protocol no later than 150 calendar days after the approval of the demonstration. The state must submit a revised Monitoring Protocol within 60 calendar days after receipt of CMS's comments. Once approved, the Monitoring Protocol will be incorporated in the STCs as Attachment F. In addition, the state must submit an updated or a separate Monitoring Protocol for any amendments to the demonstration no later than 150 calendar days after the approval of the amendment. Such amendment Monitoring Protocols are subject to the same requirement of revisions and CMS approval, as described above.

At a minimum, the Monitoring Protocol must affirm the state's commitment to conduct Quarterly and Annual Monitoring Reports in accordance with CMS's guidance and technical assistance and using CMS-provided reporting templates, if applicable. Any proposed deviations from CMS's guidance should be documented in the Monitoring Protocol. The Monitoring Protocol must describe the quantitative and qualitative elements on which the state will report through Quarterly and Annual Monitoring Reports. For the overall demonstration as well as specific policies where CMS provides states with a suite of quantitative monitoring metrics (e.g., the performance metrics described in STC 8.5.b), the state is required to calculate and report such metrics leveraging the technical specifications provided by CMS. The Monitoring Protocol must specify the methods of data collection and timeframes for reporting on the demonstration's progress as part of the Quarterly and Annual Monitoring Reports. In alignment with CMS guidance, the Monitoring Protocol must additionally specify the state's plans and timeline on reporting metrics data stratified by key demographic subpopulations of interest (e.g., by sex, age, race/ethnicity, English language

proficiency, primary language, disability status, and geography) and demonstration component.

In addition, the state must describe in the Monitoring Protocol methods to collect and analyze non-Medicaid administrative data to help calculate applicable monitoring metrics. These sources may include, but are not limited to (1) community resource referral platforms, (2) records of social services receipt from other agencies (such as SNAP or TANF benefits, or HUD assistance), (3) other data from social services organizations linked to beneficiaries (such as, services rendered, resolution of identified need, etc., as applicable), and (4) social needs screening results from electronic health records, health plans, or other partner agencies. Across data sources, the state must make efforts and consult with relevant non-Medicaid social service agencies to collect data in ways that support analyses of data on beneficiary subgroups.

In addition, the state must describe in the Monitoring Protocol methods and the timeline to collect and analyze relevant non-Medicaid administrative data to help calculate applicable monitoring metrics. These sources may include but are not limited to data related to carceral status, Medicaid eligibility, and the health care needs of individuals who are incarcerated and returning to the community. Across data sources, the state must make efforts to consult with relevant non-Medicaid agencies to collect and use data in ways that support analyses of data on demonstration beneficiaries and subgroups of beneficiaries, in accordance with all applicable requirements concerning privacy and the protection of personal information.

For the qualitative elements (e.g., operational updates as described in STC 8.5), CMS will provide the state with guidance on narrative and descriptive information which will supplement the quantitative metrics on key aspects of the demonstration policies. The quantitative and qualitative elements will comprise the state's Quarterly and Annual Monitoring Reports.

8.5. **Monitoring Reports.** The state must submit three Quarterly Monitoring Reports and one Annual Monitoring Report each demonstration year (DY). The fourth-quarter information that would ordinarily be provided in a separate Quarterly Monitoring Report should be reported as distinct information within the Annual Monitoring Report. The Quarterly Monitoring Reports are due no later than 60 calendar days following the end of each demonstration quarter. The Annual Monitoring Report (including the fourth-quarter information) is due no later than 90 calendar days following the end of the DY. The state must submit a revised Monitoring Report within 60 calendar days after receipt of CMS's comments, if any. The reports will include all required elements as per 42 CFR 431.428, and should not direct readers to links outside the report. Additional links not referenced in the document may be listed in a Reference/Bibliography section. The Quarterly and Annual Monitoring Reports must follow the framework to be provided by CMS, which is subject to change as monitoring systems are developed/evolve, and be provided in a structured manner that supports federal tracking and analysis.

a. Operational Updates. Per 42 CFR 431.428, the Monitoring Reports must document any policy or administrative difficulties in operating the demonstration.

The reports must provide sufficient information to document key operational and other challenges, underlying causes of challenges, how challenges are being addressed, as well as key achievements and to what conditions and efforts successes can be attributed. The discussion should also include any issues or complaints identified by beneficiaries; lawsuits or legal actions; unusual or unanticipated trends; legislative updates; and descriptions of any public forums held. In addition, Monitoring Reports should describe key achievements, as well as the conditions and efforts to which these successes can be attributed. Monitoring Reports should also include a summary of all public comments received through post-award public forums regarding the progress of the demonstration.

b. Performance Metrics. The demonstration's monitoring activities through quantitative data and narrative information must support the state's progress towards meeting the applicable program-specific goals and milestones—including relative to their projected timelines—of the demonstration's program and policy implementation and infrastructure investments and transitional non-service expenditures, as applicable, and must cover all key policies under this demonstration.

   Additionally, per 42 CFR 431.428, the Monitoring Reports must document the impact of the demonstration in providing insurance coverage to individuals and the uninsured population, as well as on individuals' outcomes as well as outcomes of care, quality and cost of care, and access to care. This should also include the results of beneficiary satisfaction or experience of care surveys, if conducted, as well as grievances and appeals.

c. The demonstration's metrics reporting must cover categories to include, but not limited to: enrollment and renewal, access to providers, utilization of services, unpaid medical bills at application and quality of care and health outcomes. The state should also report payment-related and provider-level metrics, if applicable. The state must undertake robust reporting of quality of care and health outcomes metrics aligned with the demonstration's policy composition and objectives, to be reported for all demonstration populations. Such reporting must also be stratified by key demographic subpopulations of interest (e.g., by sex, age, race/ethnicity, English language proficiency, primary language, disability status, and geography) and demonstration components. Subpopulation reporting will support identifying any existing disparities in quality of care and health outcomes, and help track whether the demonstration's initiatives help narrow certain inequities, while improving the outcomes for the state's overall Medicaid population.

d. The state's selection and reporting of quality of care and health outcome metrics outlined above must also accommodate the Reentry Demonstration Initiative. In addition, the state is required to report on metrics aligned with tracking progress with implementation and toward meeting the milestones of the Reentry Demonstration Initiative. CMS expects such metrics to include, but not be limited to: administration of screenings to identify individuals who qualify for pre-release

services, utilization of applicable pre-release and post-release services as defined in STC 5.4, provision of health or social service referral pre-release, participants who received case management pre-release and were enrolled in case management post-release, and take-up of data system enhancements among participating correctional facility settings. In addition, the state is expected to monitor the number of individuals served and types of services rendered under the demonstration. Also, in alignment with the state's Reentry Initiative Implementation Plan, the state must also provide in its Monitoring Reports narrative details outlining its progress with implementing the initiative, including any challenges encountered and how the state has addressed them or plans to address them. This information must also capture the transitional, non-service expenditures, including enhancements in the data infrastructure and information technology.

The required monitoring and performance metrics must be included in the Monitoring Reports, and will follow the framework provided by CMS to support federal tracking and analysis.

e. Budget Neutrality and Financial Reporting Requirements. Per 42 CFR 431.428, the Monitoring Reports must document the financial performance of the demonstration. The state must provide an updated budget neutrality workbook with every Monitoring Report that meets all the reporting requirements for monitoring budget neutrality set forth in the General Financial Requirements section of these STCs, including the submission of corrected budget neutrality data upon request. In addition, the state must report quarterly and annual expenditures associated with the populations affected by this demonstration on the Form CMS-64 or CMS-21, as applicable. Administrative costs for this demonstration should be reported separately on the CMS-64 or CMS-21, as applicable.

f. Evaluation Activities and Interim Findings. Per 42 CFR 431.428, the Monitoring Reports must document any results of the demonstration to date per the evaluation hypotheses. Additionally, the state shall include a summary of the progress of evaluation activities, including key milestones accomplished, as well as challenges encountered and how they were addressed.

8.6. **Reentry Demonstration Initiative Mid-Point Assessment**. The state must contract with an independent entity to conduct a mid-point assessment of the Reentry Demonstration Initiative and complete a Reentry Demonstration Initiative Mid-Point Assessment.

The Mid-Point Assessment must integrate all applicable implementation and performance data from the first 2.5 years of implementation of the Reentry Demonstration Initiative. The report must be submitted to CMS by the end of the third year of the demonstration. In the event that the Reentry Demonstration Initiative is implemented at a timeline within the demonstration approval period, the state and CMS will agree to an alternative timeline for submission of the Mid-Point Assessment. The

state must submit a revised Mid-Point Assessment within 60 calendar days after receipt of CMS's comments, if any. If requested, the state must brief CMS on the report.

The state must require the independent assessor to provide a draft of the Mid-Point Assessment to the state that includes the methodologies used for examining progress and assessing risk, the limitations of the methodologies used, the findings on demonstration progress and performance, including identifying any risks of not meeting milestones and other operational vulnerabilities, and recommendations for overcoming those challenges and vulnerabilities. In the design, planning, and execution of the Mid-Point Assessment, the state must require that the independent assessor consult with key stakeholders including, but not limited to: provider participation in the state's Reentry Demonstration Initiative, eligible individuals, and other key partners in correctional facility and community settings.

For milestones and measure targets at medium to high risk of not being achieved, the state and CMS will collaborate to determine whether modifications to the Reentry Demonstration Initiative Implementation Plan and the Monitoring Protocol are necessary for ameliorating these risks, with any modifications subject to CMS approval.

Elements of the Mid-Point Assessment must include, but not be limited to:

a. An examination of progress toward meeting each milestone and timeframe approved in the Reentry Demonstration Initiative Implementation Plan and toward meeting the targets for performance metrics as approved in the Monitoring Protocol;

b. A determination of factors that affected achievement on the milestones and progress toward performance metrics targets to date;

c. A determination of factors likely to affect future performance in meeting milestones and targets not yet met and information about the risk of possibly missing those milestones and performance targets; and

d. For milestones or targets at medium to high risk of not being met, recommendations for adjustments in the state's Reentry Demonstration Initiative Implementation Plan or to pertinent factors that the state can influence that will support improvement.

CMS will provide additional guidance for developing the state's Reentry Initiative Mid-Point Assessment.

8.7. **Corrective Action Plan Related to Monitoring.** If monitoring indicates that demonstration features are not likely to assist in promoting the objectives of Medicaid, CMS reserves the right to require the state to submit a corrective action plan to CMS for approval. A state corrective action plan could include a temporary suspension of implementation of demonstration programs in circumstances where monitoring data indicate substantial and sustained directional change inconsistent with demonstration goals, such as substantial and sustained trends indicating increased difficulty accessing

services. A corrective action plan may be an interim step to withdrawing waivers or expenditure authorities, as outlined in STC 3.10. CMS will withdraw an authority, as described in STC 3.10, when metrics indicate substantial and sustained directional change inconsistent with the state's demonstration goals, and the state has not implemented corrective action. CMS further has the ability to suspend implementation of the demonstration should corrective actions not effectively resolve these concerns in a timely manner.

8.8. **Close-Out Report.** Within 120 calendar days after the expiration of the demonstration, the state must submit a draft Close-Out Report to CMS for comments.

a. The Close-Out Report must comply with the most current guidance from CMS.

b. In consultation with CMS, and per guidance from CMS, the state will include an evaluation of the demonstration (or demonstration components) that are to phase out or expire without extension along with the Close-Out Report. Depending on the timeline of the phase-out during the demonstration approval period, in agreement with CMS, the evaluation requirement may be satisfied through the Interim and/or Summative Evaluation Reports stipulated in STCs 9.7 and 9.8, respectively.

c. The state will present to and participate in a discussion with CMS on the Close-Out report.

d. The state must take into consideration CMS's comments for incorporation into the final Close-Out Report.

e. A revised Close-Out Report is due to CMS no later than 30 days after receipt of CMS's comments.

f. A delay in submitting the draft or final version of the Close-Out Report may subject the state to penalties described in STC 8.1.

8.9. **Monitoring Calls.** CMS will convene periodic conference calls with the state.

a. The purpose of these calls is to discuss ongoing demonstration operation, to include (but not limited to), any significant actual or anticipated developments affecting the demonstration. Examples include implementation activities, trends in reported data on metrics and associated mid-course adjustments, budget neutrality, and progress on evaluation activities.

b. CMS will provide updates on any pending actions, as well as federal policies and issues that may affect any aspect of the demonstration.

c. The state and CMS will jointly develop the agenda for the calls.

8.10. **Post Award Forum**. Pursuant to 42 CFR 431.420(c), within 6 months of the demonstration's implementation, and annually thereafter, the state shall afford the public with an opportunity to provide meaningful comment on the progress of the demonstration. At least 30 calendar days prior to the date of the planned public forum,

the state must publish the date, time, and location of the forum in a prominent location on its website. The state must also post the most recent Annual Monitoring Report on its website with the public forum announcement. Pursuant to 42 CFR 431.420(c), the state must include a summary of the public comments in the Monitoring Report associated with the quarter in which the forum was held, as well as in its compiled Annual Monitoring Report

9. EVALUATION OF THE DEMONSTRATION

9.1. **Cooperation with Federal Evaluators and Learning Collaboration.** As required under 42 CFR 431.420(f), the state shall cooperate fully and timely with CMS and its contractors in any federal evaluation of the demonstration or any component of the demonstration. This includes, but is not limited to: commenting on design and other federal evaluation documents; providing data and analytic files to CMS; entering into a data use agreement that explains how the data and data files will be exchanged; and providing a technical point of contact to support specification of the data and files to be disclosed, as well as relevant data dictionaries and record layouts. The state shall include in its contracts with entities that collect, produce, or maintain data and files for the demonstration, a requirement that they make data available for the federal evaluation as is required under 42 CFR 431.420(f) to support federal evaluation. This may also include the state's participation—including representation from the state's contractors, independent evaluators, and organizations associated with the demonstration operations, as applicable—in a federal learning collaborative aimed at cross-state technical assistance, and identification of lessons learned and best practices for demonstration measurement, data development, implementation, monitoring and evaluation. The state may claim administrative match for these activities. Failure to comply with this STC may result in a deferral being issued as outlined in STC 3.10.

9.2. **Independent Evaluator.** The state must use an independent party to conduct an evaluation of the demonstration to ensure that the necessary data is collected at the level of detail needed to research the approved hypotheses. The independent party is to sign an agreement to conduct the demonstration evaluation in an independent manner in accord with the CMS-approved Evaluation Design. When conducting analyses and developing the evaluation reports, every effort should be made to follow the approved methodology. However, the state may request, and CMS may agree to, changes in the methodology in appropriate circumstances.

9.3. **Draft Evaluation Design.** The state must submit, for CMS comment and approval, a draft Evaluation Design no later than 180 calendar days after the approval of the demonstration. The Evaluation Design must be drafted in accordance with Attachment A (Developing the Evaluation Design) of these STCs, and any applicable CMS evaluation guidance and technical assistance for the demonstration's policy components. The Evaluation Design must also be developed in alignment with CMS guidance on applying robust evaluation approaches, such as quasi-experimental methods like difference-in-differences and interrupted time series, as well as establishing valid comparison groups and assuring causal inferences in demonstration evaluations. In addition to these requirements, if determined culturally appropriate for the communities

impacted by the demonstration, the state is encouraged to consider implementation approaches involving randomized control trials and staged rollout (for example, across geographic areas, by service setting, or by beneficiary characteristic)—as these implementation strategies help create strong comparison groups and facilitate robust evaluation.

The state is strongly encouraged to use the expertise of the independent party in the development of the draft Evaluation Design. The draft Evaluation Design also must include a timeline for key evaluation activities, including the deliverables outlined in STCs 9.7 and 9.8.

For any amendment to the demonstration, the state will be required to update the approved Evaluation Design to accommodate the amendment component. The amended Evaluation Design must be submitted to CMS for review no later than 180 calendar days after CMS's approval of the demonstration amendment. Depending on the scope and timing of the amendment, in consultation with CMS, the state may provide the details on necessary modifications to the approved Evaluation Design via the Monitoring Reports. The amendment components of the Evaluation Design must also be reflected in the state's Interim and Summative Evaluation Reports, described below.

9.4. **Evaluation Design Approval and Updates.** The state must submit a revised Evaluation Design within 60 calendar days after receipt of CMS's comments, if any. Upon CMS approval of the draft Evaluation Design, the document will be included as Attachment H to these STCs. Per 42 CFR 431.424(c), the state will publish the approved Evaluation Design within 30 days of CMS approval. The state must implement the Evaluation Design and submit a description of its evaluation progress in each of the Quarterly and Annual Monitoring Reports. Once CMS approves the Evaluation Design, if the state wishes to make changes, the state must submit a revised Evaluation Design to CMS for approval if the changes are substantial in scope; otherwise, in consultation with CMS, the state may include updates to the Evaluation Design in Monitoring Reports.

9.5. **Evaluation Questions and Hypotheses.** Consistent with attachments A and B (Developing the Evaluation Design and Preparing the Interim and Summative Evaluation Report) of these STCs, the evaluation deliverables must include a discussion of the evaluation questions and hypotheses that the state intends to test. In alignment with applicable CMS evaluation guidance and technical assistance, the evaluation must outline and address well-crafted hypotheses and research questions for all key demonstration policy components that support understanding the demonstration's impact and its effectiveness in achieving the goals.

The hypothesis testing should include, where possible, assessment of both process and outcome measures. The evaluation must study outcomes, such as likelihood of enrollment and enrollment continuity, and measures of access, utilization, and health outcomes, as appropriate and in alignment with applicable CMS evaluation guidance and technical assistance, for the demonstration policy components. Proposed measures should be selected from nationally-recognized sources and national measures sets, where

possible. Measures sets could include CMS's Core Set of Health Care Quality Measures for Children in Medicaid and CHIP, Consumer Assessment of Health Care Providers and Systems (CAHPS), the Core Set of Health Care Quality Measures for Medicaid-Eligible Adults, the Behavioral Risk Factor Surveillance System (BRFSS) survey, and/or measures endorsed by National Quality Forum (NQF).

Evaluation of the Reentry Demonstration Initiative must be designed to examine whether the initiative expands Medicaid coverage through increased enrollment of eligible individuals, and efficient high-quality pre-release services that promote continuity of care into the community post-release. In addition, in alignment with the goals of the Reentry Demonstration Initiative in the state, the evaluation hypotheses must focus on, but not be limited to: cross-system communication and coordination; connections between correctional and community services; access to and quality of care in correctional and community settings; preventive and routine physical and behavioral health care utilization; non-emergent emergency department visits and inpatient hospitalizations; and all-cause deaths.

The state must also provide a comprehensive analysis of the distribution of services rendered by type of service over the duration of up to 90-days coverage period before the individual's expected date of release—to the extent feasible—and discuss in the evaluation any relationship identified between the provision and timing of particular services with salient post-release outcomes, including utilization of acute care services for chronic and other serious conditions, overdose, and overdose- and suicide-related and all-cause deaths in the period soon after release. In addition, the state is expected to assess the extent to which this coverage timeline facilitated providing more coordinated, efficient, and effective reentry planning; enabled pre-release management and stabilization of clinical, physical, and behavioral health conditions; and helped mitigate any potential operational challenges the state might have otherwise encountered in a more compressed timeline for coverage of pre-release services.

The demonstration's evaluation efforts will be expected to include the experiences of correctional and community providers, including challenges encountered, as they develop relationships and coordinate to facilitate transition of individuals into the community. Finally, the state must conduct a comprehensive cost analysis to support developing estimates of implementing the Reentry Demonstration Initiative, including covering associated services.

As part of its evaluation efforts, the state must also conduct a demonstration cost assessment to include, but not be limited to, administrative costs of demonstration implementation and operation, Medicaid health services expenditures, and provider uncompensated care costs. In addition, the state must use findings from hypothesis tests aligned with other demonstration goals and cost analyses together to assess the demonstration's effects on the fiscal sustainability of the state's Medicaid program.

CMS underscores the importance of the state undertaking a well-designed beneficiary survey and/or interviews to assess, for instance, beneficiary understanding of and

experience with the various demonstration components. In addition, the state is strongly encouraged to evaluate the implementation of the demonstration programs in order to better understand whether implementation of certain key demonstration policies happened as envisioned during the demonstration design process and whether specific factors acted as facilitators of or barriers to successful implementation. Implementation research questions can also focus on beneficiary and provider experience with the demonstration. The implementation evaluation can inform the state's crafting and selection of testable hypotheses and research questions for the demonstration's outcome and impact evaluations and provide context for interpreting the findings.

Finally, the state must collect data to support analyses stratified by key subpopulations of interest (e.g., by sex, age, race/ethnicity, English language proficiency, primary language, disability status, and geography). Such stratified data analyses will provide a fuller understanding of existing disparities in access to and quality of care and health outcomes, and help inform how the demonstration's various policies might support reducing such disparities.

9.6. **Evaluation Budget.** A budget for the evaluation shall be provided with the draft Evaluation Design. It will include the total estimated cost, as well as a breakdown of estimated staff, administrative, and other costs for all aspects of the evaluation such as any survey and measurement development, quantitative and qualitative data collection and cleaning, analyses, and report generation. A justification of the costs may be required by CMS if the estimates provided do not appear to sufficiently cover the costs of the design or if CMS finds that the design is not sufficiently developed, or if the estimates appear to be excessive.

9.7. **Interim Evaluation Report.** The state must submit an Interim Evaluation Report for the completed years of the demonstration, and for each subsequent extension of the demonstration, as outlined in 42 CFR 431.412(c)(2)(vi). When submitting an application for renewal, the Interim Evaluation Report should be posted to the state's website with the application for public comment.

a. The Interim Evaluation Report will discuss evaluation progress and present findings to date as per the approved Evaluation Design.

b. For demonstration authority or any component within the demonstration that expires prior to the overall demonstration's expiration date, and depending on the timeline of the expiration/phase-out, the Interim Evaluation Report must include an evaluation of the authority, to be collaboratively determined by CMS and the state.

c. If the state is seeking to extend the demonstration, the draft Interim Evaluation Report is due when the application for extension is submitted, or one year prior to the end of the demonstration, whichever is sooner. If the state is not requesting an extension for a demonstration, an Interim Evaluation report is due one year prior to the end of the demonstration.

d. The state must submit a revised Interim Evaluation Report within 60 calendar days after receiving CMS's comments on the draft Interim Evaluation Report. Once approved by CMS, the state must post the final Evaluation Report to the state's Medicaid website within 30 calendar days.

e. The Interim Evaluation Report must comply with Attachment B (Preparing the Evaluation Report) of these STCs.

9.8. **Summative Evaluation Report**. The state must submit a draft Summative Evaluation Report for the demonstration's current approval period within 18 months of the end of the approval period represented by these STCs. The draft Summative Evaluation Report must be developed in accordance with Attachment B of these STCs, and in alignment with the approved Evaluation Design.

a. The state must submit a revised Summative Evaluation Report 60 calendar days after receiving CMS's comments on the draft.

b. Once approved by CMS, the state must post the final Summative Evaluation Report to the state's Medicaid website within 30 calendar days.

9.9. **Corrective Action Plan Related to Evaluation.** If evaluation findings indicate that demonstration features are not likely to assist in promoting the objectives of Medicaid, CMS reserves the right to require the state to submit a corrective action plan to CMS for approval. These discussions may also occur as part of a renewal process when associated with the state's Interim Evaluation Report, or as part of the review of the Summative Evaluation Report. A corrective action plan could include a temporary suspension of implementation of demonstration programs, in circumstances where evaluation findings indicate substantial and sustained directional change inconsistent with demonstration goals, such as substantial and sustained trends indicating increased difficulty accessing services. A corrective action plan may be an interim step to withdrawing waivers or expenditure authorities, as outlined in STC 3.10. CMS further has the ability to suspend implementation of the demonstration should corrective actions not effectively resolve these concerns in a timely manner.

9.10. **State Presentations for CMS.** CMS reserves the right to request that the state present and participate in a discussion with CMS on the Evaluation Design, the Interim Evaluation Report, and/or the Summative Evaluation Report.

9.11. **Public Access.** The state shall post the final documents (e.g., Implementation Plan, Monitoring Protocol, Monitoring Reports, Close Out Report, approved Evaluation Design, Interim Evaluation Report, and Summative Evaluation Report) on the state's Medicaid website within 30 calendar days of approval by CMS.

9.12. **Additional Publications and Presentations.** For a period of 12 months following CMS approval of the final reports, CMS will be notified prior to presentation of these reports or their findings, including in related publications (including, for example, journal articles), by the state, contractor, or any other third party directly connected to the demonstration over which the state has control. Prior to release of these

reports, articles, or other publications, CMS will be provided a copy including any associated press materials. CMS will be given ten (10) business days to review and comment on publications before they are released. CMS may choose to decline to comment or review some or all of these notifications and reviews. This requirement does not apply to the release or presentation of these materials to state or local government officials.

10. GENERAL FINANCIAL REQUIREMENTS

10.1. **Allowable Expenditures.** This demonstration project is approved for authorized demonstration expenditures applicable to services rendered and for costs incurred during the demonstration approval period designated by CMS. CMS will provide FFP for allowable demonstration expenditures only so long as they do not exceed the pre-defined limits as specified in these STCs.

10.2. **Standard Medicaid Funding Process.** The standard Medicaid funding process will be used for this demonstration. The state will provide quarterly expenditure reports through the Medicaid and CHIP Budget and Expenditure System (MBES/CBES) to report total expenditures under this Medicaid section 1115 demonstration following routine CMS-37 and CMS-64 reporting instructions as outlined in section 2500 of the State Medicaid Manual. The state will estimate matchable demonstration expenditures (total computable and federal share) subject to the budget neutrality expenditure limit and separately report these expenditures by quarter for each federal fiscal year on the form CMS-37 for both the medical assistance payments (MAP) and state and local administration costs (ADM). CMS shall make federal funds available based upon the state's estimate, as approved by CMS. Within 30 days after the end of each quarter, the state shall submit form CMS-64 Quarterly Medicaid Expenditure Report, showing Medicaid expenditures made in the quarter just ended. If applicable, subject to the payment deferral process, CMS shall reconcile expenditures reported on form CMS-64 with federal funding previously made available to the state, and include the reconciling adjustment in the finalization of the grant award to the state.

10.3. **Sources of Non-Federal Share.** As a condition of demonstration approval, the state certifies that its funds that make up the non-federal share are obtained from permissible state and/or local funds that, unless permitted by law, are not other federal funds. The state further certifies that federal funds provided under this section 1115 demonstration must not be used as the non-federal share required under any other federal grant or contract, except as permitted by law. CMS approval of this demonstration does not constitute direct or indirect approval of any underlying source of non-federal share or associated funding mechanisms and all sources of non-federal funding must be compliant with section 1903(w) of the Act and applicable implementing regulations. CMS reserves the right to deny FFP in expenditures for which it determines that the sources of non-federal share are impermissible.

a. If requested, the state must submit for CMS review and approval documentation of any sources of non-federal share that would be used to support payments under the demonstration.

b. If CMS determines that any funding sources are not consistent with applicable federal statutes or regulations, the state must address CMS's concerns within the time frames allotted by CMS.

c. Without limitation, CMS may request information about the non-federal share sources for any amendments that CMS determines may financially impact the demonstration.

10.4. **State Certification of Funding Conditions.** As a condition of demonstration approval, the state certifies that the following conditions for non-federal share financing of demonstration expenditures have been met:

a. If units of state or local government, including health care providers that are units of state or local government, supply any funds used as non-federal share for expenditures under the demonstration, the state must certify that state or local monies have been expended as the non-federal share of funds under the demonstration in accordance with section 1903(w) of the Act and applicable implementing regulations.

b. To the extent the state utilizes certified public expenditures (CPE) as the funding mechanism for the non-federal share of expenditures under the demonstration, the state must obtain CMS approval for a cost reimbursement methodology. This methodology must include a detailed explanation of the process, including any necessary cost reporting protocols, by which the state identifies those costs eligible for purposes of certifying public expenditures. The certifying unit of government that incurs costs authorized under the demonstration must certify to the state the amount of public funds allowable under 42 CFR 433.51 it has expended. The federal financial participation paid to match CPEs may not be used as the non-federal share to obtain additional federal funds, except as authorized by federal law, consistent with 42 CFR 433.51(c).

c. The state may use intergovernmental transfers (IGT) to the extent that the transferred funds are public funds within the meaning of 42 CFR 433.51 and are transferred by units of government within the state. Any transfers from units of government to support the non-federal share of expenditures under the demonstration must be made in an amount not to exceed the non-federal share of the expenditures under the demonstration.

d. Under all circumstances, health care providers must retain 100 percent of their payments for or in connection with furnishing covered services to beneficiaries. Moreover, no pre-arranged agreements (contractual, voluntary, or otherwise) may exist between health care providers and state and/or local governments, or third parties to return and/or redirect to the state any portion of the Medicaid payments in a manner inconsistent with the requirements in section 1903(w) of the Act and its implementing regulations. This confirmation of Medicaid payment retention is made with the understanding that payments that are the normal operating expenses of conducting business, such as payments related to taxes, including

health care provider-related taxes, fees, business relationships with governments that are unrelated to Medicaid and in which there is no connection to Medicaid payments, are not considered returning and/or redirecting a Medicaid payment.

e. The State Medicaid Director or his/her designee certifies that all state and/or local funds used as the state's share of the allowable expenditures reported on the CMS-64 for this demonstration were in accordance with all applicable federal requirements and did not lead to the duplication of any other federal funds.

10.5. **Financial Integrity for Managed Care Delivery Systems.** As a condition of demonstration approval, the state attests to the following, as applicable:

a. All risk-based managed care organization, prepaid inpatient health plan (PIHP), and prepaid ambulatory health plan (PAHP) payments, comply with the requirements on payments in 42 CFR 438.6(b)(2), 438.6(c), 438.6(d), 438.60, and 438.74.

10.6. **Requirements for Health Care-Related Taxes and Provider Donations.** As a condition of demonstration approval, the state attests to the following, as applicable:

a. Except as provided in paragraph (c) of this STC, all health care-related taxes as defined by Section 1903(w)(3)(A) of the Act and 42 CFR 433.55 are broad-based as defined by Section 1903(w)(3)(B) of the Act and 42 CFR 433.68(c).

b. Except as provided in paragraph (c) of this STC, all health care-related taxes are uniform as defined by Section 1903(w)(3)(C) of the Act and 42 CFR 433.68(d).

c. If the health care-related tax is either not broad-based or not uniform, the state has applied for and received a waiver of the broad-based and/or uniformity requirements as specified by 1903(w)(3)(E)(i) of the Act and 42 CFR 433.72.

d. The tax does not contain a hold harmless arrangement as described by Section 1903(w)(4) of the Act and 42 CFR 433.68(f).

e. All provider-related donations as defined by 42 CFR 433.52 are bona fide as defined by Section 1903(w)(2)(B) of the Social Security Act, 42 CFR 433.66, and 42 CFR 433.54.

10.7. **State Monitoring of Non-federal Share.** If any payments under the demonstration are funded in whole or in part by a locality tax, then the state must provide a report to CMS regarding payments under the demonstration no later than 60 days after demonstration approval. This deliverable is subject to the deferral as described in STC 8.1 This report must include:

a. A detailed description of and a copy of (as applicable) any agreement, written or otherwise agreed upon, regarding any arrangement among the providers including those with counties, the state, or other entities relating to each locality tax or payments received that are funded by the locality tax;

b. Number of providers in each locality of the taxing entities for each locality tax;

c. Whether or not all providers in the locality will be paying the assessment for each locality tax;

d. The assessment rate that the providers will be paying for each locality tax;

e. Whether any providers that pay the assessment will not be receiving payments funded by the assessment;

f. Number of providers that receive at least the total assessment back in the form of Medicaid payments for each locality tax;

g. The monitoring plan for the taxing arrangement to ensure that the tax complies with section 1903(w)(4) of the Act and 42 CFR 433.68(f); and

h. Information on whether the state will be reporting the assessment on the CMS form 64.11A as required under section 1903(w) of the Act.

10.8. **Extent of Federal Financial Participation for the Demonstration.** Subject to CMS approval of the source(s) of the non-federal share of funding, CMS will provide FFP at the applicable federal matching rate for the following demonstration expenditures, subject to the budget neutrality expenditure limits described in the STCs in section 11:

a. Administrative costs, including those associated with the administration of the demonstration;

b. Net expenditures and prior period adjustments of the Medicaid program that are paid in accordance with the approved Medicaid state plan; and

c. Medical assistance expenditures and prior period adjustments made under section 1115 demonstration authority with dates of service during the demonstration extension period; including those made in conjunction with the demonstration, net of enrollment fees, cost sharing, pharmacy rebates, and all other types of third party liability.

10.9. **Program Integrity.** The state must have processes in place to ensure there is no duplication of federal funding for any aspect of the demonstration. The state must also ensure that the state and any of its contractors follow standard program integrity principles and practices including retention of data. All data, financial reporting, and sources of non-federal share are subject to audit.

10.10. **Medicaid Expenditure Groups.** Medicaid Expenditure Groups (MEG) are defined for the purpose of identifying categories of Medicaid or demonstration expenditures subject to budget neutrality, components of budget neutrality expenditure limit calculations, and other purposes related to monitoring and tracking expenditures under the demonstration. The Master MEG Chart table provides a master list of MEGs defined for this demonstration.

Table 2: Master MEG Chart					
MEG	**Which BN Test Applies?**	**WOW Per Capita**	**WOW Aggregate**	**WW**	**Brief Description**
Reentry Services	Hypo	X		X	Expenditures for reentry services that are otherwise covered under Medicaid provided to qualifying beneficiaries for up to 90 days immediately prior to release from participating facilities.
Reentry Non-Services	Hypo		X	X	Expenditures for allowable planning and non-services for the reentry demonstration initiative.
ADM	N/A				All additional administrative costs that are directly attributable to the demonstration and not described elsewhere and are not subject to budget neutrality.

BN – budget neutrality; MEG – Medicaid expenditure group; WOW – without waiver; WW – with waiver

10.11. **Reporting Expenditures and Member Months.** The state must report all demonstration expenditures claimed under the authority of title XIX of the Act and subject to budget neutrality each quarter on separate forms CMS-64.9 WAIVER and/or 64.9P WAIVER, identified by the demonstration project number assigned by CMS (11-W-00499/5). Separate reports must be submitted by MEG (identified by Waiver Name) and Demonstration Year (identified by the two-digit project number extension). Unless specified otherwise, expenditures must be reported by DY according to the dates of service associated with the expenditure. All MEGs identified in the Master MEG Chart as WW must be reported for expenditures, as further detailed in the MEG Detail for Expenditure and Member Month Reporting table below. To enable calculation of the budget neutrality expenditure limits, the state also must report member months of eligibility for specified MEGs.

a. **Cost Settlements.** The state will report any cost settlements attributable to the demonstration on the appropriate prior period adjustment schedules (form CMS-64.9P WAIVER) for the summary sheet line 10b (in lieu of lines 9 or 10c), or line

7. For any cost settlement not attributable to this demonstration, the adjustments should be reported as otherwise instructed in the State Medicaid Manual. Cost settlements must be reported by DY consistent with how the original expenditures were reported.

b. Premiums and Cost Sharing Collected by the State. The state will report any premium contributions collected by the state from demonstration enrollees quarterly on the form CMS-64 Summary Sheet line 9D, columns A and B. In order to assure that these collections are properly credited to the demonstration, quarterly premium collections (both total computable and federal share) should also be reported separately by demonstration year on form CMS-64 Narrative, and on the Total Adjustments tab in the Budget Neutrality Monitoring Tool. In the annual calculation of expenditures subject to the budget neutrality expenditure limit, premiums collected in the demonstration year will be offset against expenditures incurred in the demonstration year for determination of the state's compliance with the budget neutrality limits.

c. **Pharmacy Rebates.** Because pharmacy rebates are not included in the base expenditures used to determine the budget neutrality expenditure limit, pharmacy rebates are not included for calculating net expenditures subject to budget neutrality. The state will report pharmacy rebates on form CMS-64.9 BASE, and not allocate them to any form 64.9 or 64.9P WAIVER.

d. **Administrative Costs.** The state will separately track and report additional administrative costs that are directly attributable to the demonstration. All administrative costs must be identified on the forms CMS-64.10 WAIVER and/or 64.10P WAIVER. Unless indicated otherwise on the MEG Charts and in the STCs in section 11, administrative costs are not counted in the budget neutrality tests; however, these costs are subject to monitoring by CMS.

e. **Member Months.** As part of the Quarterly and Annual Monitoring Reports described in section 8, the state must report the actual number of "eligible member months" for all demonstration enrollees for all MEGs identified as WOW Per Capita in the Master MEG Chart table above, and as also indicated in the MEG Detail for Expenditure and Member Month Reporting table below. The term "eligible member months" refers to the number of months in which persons enrolled in the demonstration are eligible to receive services. For example, a person who is eligible for three months contributes three eligible member months to the total. Two individuals who are eligible for two months each contribute two eligible member months per person, for a total of four eligible member months. The state must submit a statement accompanying the annual report certifying the accuracy of this information.

f. **Budget Neutrality Specifications Manual.** The state will create and maintain a Budget Neutrality Specifications Manual that describes in detail how the state will compile data on actual expenditures related to budget neutrality, including methods used to extract and compile data from the state's Medicaid Management Information System, eligibility system, and accounting systems for reporting on the CMS-64, consistent with the terms of the demonstration. The Budget Neutrality Specifications Manual will also describe how the state compiles counts of Medicaid member months. The Budget Neutrality Specifications Manual must be made available to CMS on request.

Table 3: MEG Detail for Expenditure and Member Month Reporting

MEG (Waiver Name)	Detailed Description	Exclusions	CMS-64.9 or 64.10 Line(s) To Use	How Expend. Are Assigned to DY	MAP or ADM	Report Member Months (Y/N)	MEG Start Date	MEG End Date
Reentry Services	Expenditures for reentry services that are otherwise covered under Medicaid provided to qualifying beneficiaries for up to 90 days immediately prior to release from participating facilities.	None	Follow CMS-64.9 Based Category of Service Definition	Date of service	MAP	Y	12/27/2024	12/31/2029
Reentry Non-Services	Expenditures for allowable planning and non-services for the reentry demonstration initiative.	None	Follow CMS-64.10 Base Category of Service Definition	Date of payment	ADM	N	12/27/2024	12/31/2029

ADM – administration; DY – demonstration year; MAP – medical assistance payments; MEG – Medicaid expenditure group

10.12. **Demonstration Years.** Demonstration Years (DY) for this demonstration are defined in the table below.

Table 4: Demonstration Years		
Demonstration Year 1	December 27, 2024 to December 31, 2025	12 months
Demonstration Year 2	January 1, 2026 to December 31, 2026	12 months
Demonstration Year 3	January 1, 2027 to December 31, 2027	12 months
Demonstration Year 4	January 1, 2028 to December 31, 2028	12 months
Demonstration Year 5	January 1, 2029 to December 31, 2029	12 months

10.13. **Budget Neutrality Monitoring Tool.** The state must provide CMS with quarterly budget neutrality status updates, including established baseline and member months data, using the Budget Neutrality Monitoring Tool provided through the performance metrics database and analytics (PMDA) system. The tool incorporates the "Schedule C Report" for comparing the demonstration's actual expenditures to the budget neutrality expenditure limits described in section 11. CMS will provide technical assistance, upon request.[1]

10.14. **Claiming Period.** The state will report all claims for expenditures subject to the budget neutrality agreement (including any cost settlements) within two years after the calendar quarter in which the state made the expenditures. All claims for services during the demonstration period (including any cost settlements) must be made within two years after the conclusion or termination of the demonstration. During the latter two-year period, the state will continue to identify separately net expenditures related to dates of service during the operation of the demonstration on the CMS-64 waiver forms in order to properly account for these expenditures in determining budget neutrality.

10.15. **Future Adjustments to Budget Neutrality.** CMS reserves the right to adjust the budget neutrality expenditure limit:

a. To be consistent with enforcement of laws and policy statements, including regulations and guidance, regarding impermissible provider payments, health care related taxes, or other payments. CMS reserves the right to make adjustments to the budget neutrality limit if any health care related tax that was in effect during the base year, or provider-related donation that occurred during the base year, is determined by CMS to be in violation of the provider donation and health care related tax provisions of section 1903(w) of the Act. Adjustments to annual

[1] Per 42 CFR 431.420(a)(2), states must comply with the terms and conditions of the agreement between the Secretary (or designee) and the state to implement a demonstration project, and 431.420(b)(1) states that the terms and conditions will provide that the state will perform periodic reviews of the implementation of the demonstration. CMS's current approach is to include language in STCs requiring, as a condition of demonstration approval, that states provide, as part of their periodic reviews, regular reports of the actual costs which are subject to the budget neutrality limit. CMS has obtained Office of Management and Budget (OMB) approval of the monitoring tool under the Paperwork Reduction Act (OMB Control No. 0938 – 1148) and states agree to use the tool as a condition of demonstration approval.

budget targets will reflect the phase out of impermissible provider payments by law or regulation, where applicable.

b. To the extent that a change in federal law, regulation, or policy requires either a reduction or an increase in FFP for expenditures made under this demonstration. In this circumstance, the state must adopt, subject to CMS approval, a modified budget neutrality agreement as necessary to comply with such change. The modified agreement will be effective upon the implementation of the change. The trend rates for the budget neutrality agreement are not subject to change under this STC. The state agrees that if mandated changes in the federal law require state legislation, the changes shall take effect on the day such state legislation becomes effective, or on the last day such legislation was required to be in effect under the federal law.

c. The state certifies that the data it provided to establish the budget neutrality expenditure limit are accurate based on the state's accounting of recorded historical expenditures or the next best available data, that the data are allowable in accordance with applicable federal, state, and local statutes, regulations, and policies, and that the data are correct to the best of the state's knowledge and belief. The data supplied by the state to set the budget neutrality expenditure limit are subject to review and audit, and if found to be inaccurate, will result in a modified budget neutrality expenditure limit.

10.16. **Budget Neutrality Mid-Course Correction Adjustment Request.** No more than once per demonstration year, the state may request that CMS make an adjustment to its budget neutrality agreement based on changes to the state's Medicaid expenditures that are unrelated to the demonstration and/or outside the state's control, and/or that result from a new expenditure that is not a new demonstration-covered service or population and that is likely to further strengthen access to care.

a. **Contents of Request and Process.** In its request, the state must provide a description of the expenditure changes that led to the request, together with applicable expenditure data demonstrating that due to these expenditures, the state's actual costs have exceeded the budget neutrality cost limits established at demonstration approval. The state must also submit the budget neutrality update described in STC 10.16.c. If approved, an adjustment could be applied retrospectively to when the state began incurring the relevant expenditures, if appropriate. Within 120 days of acknowledging receipt of the request, CMS will determine whether the state needs to submit an amendment pursuant to STC 3.7. CMS will evaluate each request based on its merit and will approve requests when the state establishes that an adjustment to its budget neutrality agreement is necessary due to changes to the state's Medicaid expenditures that are unrelated to the demonstration and/or outside of the state's control, and/or that result from a new expenditure that is not a new demonstration-covered service or population and that is likely to further strengthen access to care.

b. **Types of Allowable Changes.** Adjustments will be made only for actual costs as reported in expenditure data. CMS will not approve mid-demonstration adjustments for anticipated factors not yet reflected in such expenditure data. Examples of the types of mid-course adjustments that CMS might approve include the following:

   i. Provider rate increases that are anticipated to further strengthen access to care;

   ii. CMS or state technical errors in the original budget neutrality formulation applied retrospectively, including, but not limited to the following: mathematical errors, such as not aging data correctly; or unintended omission of certain applicable costs of services for individual MEGs;

   iii. Changes in federal statute or regulations, not directly associated with Medicaid, which impact expenditures;

   iv. State legislated or regulatory change to Medicaid that significantly affects the costs of medical assistance;

   v. When not already accounted for under Emergency Medicaid 1115 demonstrations, cost impacts from public health emergencies;

   vi. High cost innovative medical treatments that states are required to cover; or,

   vii. Corrections to coverage/service estimates where there is no prior state experience (e.g., SUD) or small populations where expenditures may vary widely.

c. **Budget Neutrality Update.** The state must submit an updated budget neutrality analysis with its adjustment request, which includes the following elements:

   i. Projected without waiver and with waiver expenditures, estimated member months, and annual limits for each DY through the end of the approval period; and,

   ii. Description of the rationale for the mid-course correction, including an explanation of why the request is based on changes to the state's Medicaid expenditures that are unrelated to the demonstration and/or outside the state's control, and/or is due to a new expenditure that is not a new demonstration-covered service or population and that is likely to further strengthen access to care.

11. MONITORING BUDGET NEUTRALITY FOR THE DEMONSTRATION

11.1. **Limit on Title XIX Funding.** The state will be subject to limits on the amount of federal Medicaid funding the state may receive over the course of the demonstration

approval. The budget neutrality expenditure limits are based on projections of the amount of FFP that the state would likely have received in the absence of the demonstration. The limit consists of one or more Hypothetical Budget Neutrality Tests as described below. CMS's assessment of the state's compliance with these tests will be based on the Schedule C CMS-64 Waiver Expenditure Report, which summarizes the expenditures reported by the state on the CMS-64 that pertain to the demonstration.

11.2. **Risk.** The budget neutrality expenditure limits are determined on either a per capita or aggregate basis as described in Table 2, Master MEG Chart and Table 3, MEG Detail for Expenditure and Member Month Reporting. If a per capita method is used, the state is at risk for the per capita cost of state plan and hypothetical populations, but not for the number of participants in the demonstration population. By providing FFP without regard to enrollment in the demonstration for all demonstration populations, CMS will not place the state at risk for changing economic conditions, however, by placing the state at risk for the per capita costs of the demonstration populations, CMS assures that the demonstration expenditures do not exceed the levels that would have been realized had there been no demonstration. If an aggregate method is used, the state accepts risk for both enrollment and per capita costs.

11.3. **Calculation of the Budget Neutrality Limits and How They Are Applied.** To calculate the budget neutrality limits for the demonstration, separate annual budget limits are determined for each DY on a total computable basis. Each annual budget limit is the sum of one or more components: per capita components, which are calculated as a projected without-waiver PMPM cost times the corresponding actual number of member months, and aggregate components, which project fixed total computable dollar expenditure amounts. The annual limits for all DYs are then added together to obtain a budget neutrality limit for the entire demonstration period. The federal share of this limit will represent the maximum amount of FFP that the state may receive during the demonstration period for the types of demonstration expenditures described below. The federal share will be calculated by multiplying the total computable budget neutrality expenditure limit by the appropriate Composite Federal Share.

11.4. **Main Budget Neutrality Test.** This demonstration does not include a Main Budget Neutrality Test. Budget neutrality will consist entirely of Hypothetical Budget Neutrality Tests. Any excess spending under the Hypothetical Budget Neutrality Tests must be returned to CMS.

11.5. **Hypothetical Budget Neutrality.** When expenditure authority is provided for coverage of populations or services that the state could have otherwise provided through its Medicaid state plan or other title XIX authority (such as a waiver under section 1915 of the Act), or when a WOW spending baseline for certain WW expenditures is difficult to estimate due to variable and volatile cost data resulting in anomalous trend rates, CMS considers these expenditures to be "hypothetical," such that the expenditures are treated as if the state could have received FFP for them absent the demonstration. For these hypothetical expenditures, CMS makes adjustments to the budget neutrality test

which effectively treats these expenditures as if they were for approved Medicaid state plan services. Hypothetical expenditures, therefore, do not necessitate savings to offset the expenditures on those services. When evaluating budget neutrality, however, CMS does not offset non-hypothetical expenditures with projected or accrued savings from hypothetical expenditures; that is, savings are not generated from a hypothetical population or service. To allow for hypothetical expenditures, while preventing them from resulting in savings, CMS currently applies separate, independent Hypothetical Budget Neutrality Tests, which subject hypothetical expenditures to pre-determined limits to which the state and CMS agree, and that CMS approves, as a part of this demonstration approval. If the state's WW hypothetical spending exceeds the Hypothetical Budget Neutrality Test's expenditure limit, the state agrees (as a condition of CMS approval) to offset that excess spending through savings elsewhere in the demonstration or to refund the FFP to CMS.

11.6. **Hypothetical Budget Neutrality Test 1: Reentry Demonstration Initiative Expenditures.** The table below identifies the MEGs that are used for Hypothetical Budget Neutrality Test 1. MEGs that are designated "WOW Only" or "Both" are the components used to calculate the budget neutrality expenditure limit. The Composite Federal Share for the Hypothetical Budget Neutrality Test is calculated based on all MEGs indicated as "WW Only" or "Both." MEGs that are indicated as "WW Only" or "Both" are counted as expenditures against this budget neutrality expenditure limit. Any expenditures in excess of the limit from Hypothetical Budget Neutrality Test 1 are counted as WW expenditures under the Main Budget Neutrality Test.

Table 5: Hypothetical Budget Neutrality Test 1

MEG	PC or Agg	WOW Only, WW Only, or Both	Trend Rate	DY 01	DY 02	DY 03	DY 04	DY 05
Reentry Services	PC	Both	5.2%		$1,331.97	$1,366.60	$1,437.67	$1,512.43
Reentry Non-Services	Agg	Both	N/A	$40,000,000	$18,000,000	$18,000,000	$4,500,000	

11.7. **Composite Federal Share.** The Composite Federal Share is the ratio that will be used to convert the total computable budget neutrality limit to federal share. The Composite Federal Share is the ratio calculated by dividing the sum total of FFP received by the state on actual demonstration expenditures during the approval period by total computable demonstration expenditures for the same period, as reported through MBES/CBES and summarized on Schedule C. Since the actual final Composite Federal Share will not be known until the end of the demonstration's approval period, for the purpose of interim monitoring of budget neutrality, a reasonable estimate of Composite Federal Share may be developed and used through the same process or through an

alternative mutually agreed to method. Each Budget Neutrality Test has its own Composite Federal Share, as defined in the paragraph pertaining to each particular test.

11.8. **Exceeding Budget Neutrality.** CMS will enforce the budget neutrality agreement over the demonstration period, which extends from 12/27/2024 to 12/31/2029. If the Demonstration is terminated prior to the end of the budget neutrality agreement, the budget neutrality test shall be based on the time elapsed through the termination date.

11.9. **Corrective Action Plan.** If at any time during the demonstration approval period CMS determines that the demonstration is on course to exceed its budget neutrality expenditure limit, CMS will require the state to submit a corrective action plan for CMS review and approval. CMS will use the threshold levels in the tables below as a guide for determining when corrective action is required.

Table # 6: Budget Neutrality Test Corrective Action Plan Calculation		
Demonstration Year	**Cumulative Target Definition**	**Percentage**
DY 1	Cumulative budget neutrality limit plus:	2.0 percent
DY 1 through DY 2	Cumulative budget neutrality limit plus:	1.5 percent
DY 1 through DY 3	Cumulative budget neutrality limit plus:	1.0 percent
DY 1 through DY 4	Cumulative budget neutrality limit plus:	0.5 percent
DY 1 through DY 5	Cumulative budget neutrality limit plus:	0.0 percent

12. SCHEDULE OF DELIVERABLES FOR THE DEMONSTRATION

Table 7: Schedule of Deliverables for the Demonstration Period

Date	Deliverable	STC
30 calendar days after demonstration approval	State acceptance of demonstration Waivers, STCs, and Expenditure Authorities	Approval letter
150 calendar days after demonstration approval	Monitoring Protocol	STC 8.4
60 calendar days after receipt of CMS comments	Revised Monitoring Protocol	STC 8.4
180 calendar days after demonstration approval	Draft Evaluation Design	STC 9.3
60 days after receipt of CMS comments	Revised Evaluation Design	STC 9.4
The end of the third year of implementation of the Reentry Demonstration Initiative	Reentry Mid-Point Assessment	STC 8.6
60 calendar days after receipt of CMS comments	Revised Mid-Point Assessment	STC 8.6
One year prior to current expiration date (December 31, 2028), or with renewal application	Draft Interim Evaluation Report	STC 9.7(c)
60 calendar days after receipt of CMS comments	Revised Interim Evaluation Report	STC 9.7(d)
Within 18 months after December 31, 2029	Draft Summative Evaluation Report	STC 9.8
60 calendar days after receipt of CMS comments	Revised Summative Evaluation Report	STC 9.8(a)
120 calendar days after approval date of the Reentry Demonstration Initiative	Reentry Demonstration Initiative Implementation Plan	STC 5.10
6 months after approval date of the Reentry Demonstration Initiative	Reentry Demonstration Initiative Reinvestment Plan	STC 5.11
Monthly Deliverables	Monitoring Calls	STC 8.9
Quarterly monitoring reports due 60 calendar days after end of each quarter, except 4th quarter.	Quarterly Monitoring Reports, including implementation updates	STC 8.5
	Quarterly Expenditure Reports	STC 10.2 & 10.11
Annual Deliverables - Due 90 calendar days after end of each 4th quarter	Annual Monitoring Reports	STC 8.5

ATTACHMENT A

Developing the Evaluation Design

Introduction

For states that are testing new approaches and flexibilities in their Medicaid programs through section 1115 demonstrations, evaluations are crucial to understand and disseminate what is or is not working and why. The evaluations of new initiatives seek to produce new knowledge and direction for programs and inform both Congress and CMS about Medicaid policy for the future. While a narrative about what happened during a demonstration provides important information, the principal focus of the evaluation of a section 1115 demonstration should be obtaining and analyzing data on the process (e.g., whether the demonstration is being implemented as intended), outcomes (e.g., whether the demonstration is having the intended effects on the target population), and impacts of the demonstration (e.g., whether the outcomes observed in the targeted population differ from outcomes in similar populations not affected by the demonstration). Both state and federal governments could benefit from improved quantitative and qualitative evidence to inform policy decisions.

Expectations for Evaluation Designs

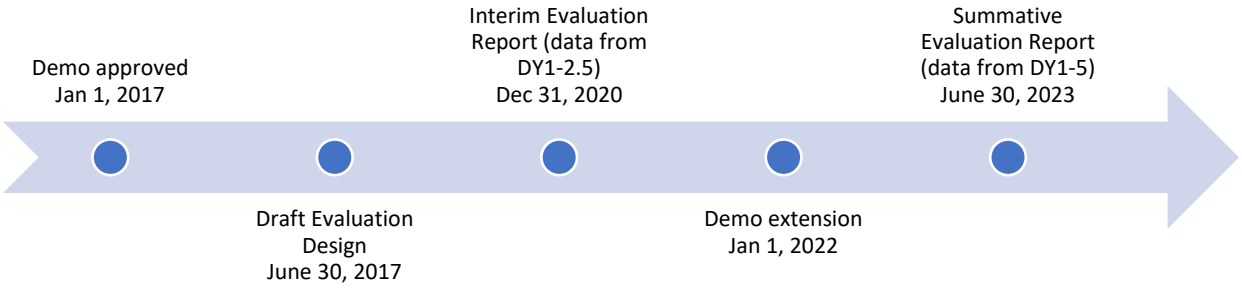
All states with Medicaid section 1115 demonstrations are required to conduct an evaluation, and the Evaluation Design is the roadmap for conducting the evaluation. The roadmap begins with the stated goals for the demonstration followed by the measurable evaluation questions and quantifiable hypotheses, all to support a determination of the extent to which the demonstration has achieved its goals.

The format for the Evaluation Design is as follows:

- General Background Information
- Evaluation Questions and Hypotheses
- Methodology
- Methodological Limitations
- Attachments

Submission Timelines

There is a specified timeline for the state's submission of Evaluation Design and Reports. (The graphic below depicts an example of this timeline). In addition, the state should be aware that section 1115 evaluation documents are public records. The state is required to publish the Evaluation Design to the state's website within thirty (30) days of CMS approval, as per 42 CFR 431.424(e). CMS will also publish a copy to the Medicaid.gov website.



Required Core Components of All Evaluation Designs

The Evaluation Design sets the stage for the Interim and Summative Evaluation Reports. It is important that the Evaluation Design explain the goals and objectives of the demonstration, the hypotheses related to the demonstration, and the methodology (and limitations) for the evaluation. A copy of the state's Driver Diagram (described in more detail in paragraph B2 below) should be included with an explanation of the depicted information.

A. **General Background Information**. In this section, the state should include basic information about the demonstration, such as:

1. The issue/s that the state is trying to address with its section 1115 demonstration and/or expenditure authorities, the potential magnitude of the issue/s, and why the state selected this course of action to address the issue/s (e.g., a narrative on why the state submitted an 1115 demonstration proposal).

2. The name of the demonstration, approval date of the demonstration, and period of time covered by the evaluation;

3. A brief description of the demonstration and history of the implementation, and whether the draft Evaluation Design applies to an amendment, extension, renewal, or expansion of, the demonstration;

4. For renewals, amendments, and major operational changes: A description of any changes to the demonstration during the approval period; the primary reason or reasons for the change; and how the Evaluation Design was altered or augmented to address these changes.

5. Describe the population groups impacted by the demonstration.

B. **Evaluation Questions and Hypotheses.** In this section, the state should:

1. Describe how the state's demonstration goals are translated into quantifiable targets for improvement, so that the performance of the demonstration in achieving these targets could be measured.

2. Include a Driver Diagram to visually aid readers in understanding the rationale behind the cause and effect of the variants behind the demonstration features and intended outcomes. A driver diagram is a particularly effective modeling tool when working to improve health and health care through specific interventions. The diagram includes information about the goal of the demonstration, and the features of the demonstration. A driver diagram depicts the relationship between the aim, the primary drivers that contribute directly to achieving the aim, and the secondary drivers that are necessary to achieve the primary drivers for the demonstration. For an example and more information on driver diagrams: https://innovation.cms.gov/files/x/hciatwoaimsdrvrs.pdf

3. Identify the state's hypotheses about the outcomes of the demonstration:

4. Discuss how the evaluation questions align with the hypotheses and the goals of the demonstration;

5. Address how the research questions / hypotheses of this demonstration promote the objectives of Titles XIX and/or XXI.

C. **Methodology**. In this section, the state is to describe in detail the proposed research methodology.

The focus is on showing that the evaluation meets the prevailing standards of scientific and academic rigor, and the results are statistically valid and reliable, and that where appropriate it builds upon other published research (use references).

This section provides the evidence that the demonstration evaluation will use the best available data; reports on, controls for, and makes appropriate adjustments for the limitations of the data and their effects on results; and discusses the generalizability of results. This section should provide enough transparency to explain what will be measured and how. Specifically, this section establishes:

1. Evaluation Design. Provide information on how the evaluation will be designed. For example, will the evaluation utilize a pre/post comparison? A post-only assessment? Will a comparison group be included?

2. Target and Comparison Populations. Describe the characteristics of the target and comparison populations, to include the inclusion and exclusion criteria. Include information about the level of analysis (beneficiary, provider, or program level), and if populations will be stratified into subgroups. Additionally discuss the sampling methodology for the populations, as well as support that a statistically reliable sample size is available.

3. Evaluation Period. Describe the time periods for which data will be included.

4. Evaluation Measures. List all measures that will be calculated to evaluate the demonstration. Include the measure stewards (i.e., the organization(s) responsible for the evaluation data elements/sets by "owning", defining, validating; securing;

and submitting for endorsement, etc.) Include numerator and denominator information. Additional items to ensure:

a. The measures contain assessments of both process and outcomes to evaluate the effects of the demonstration during the period of approval.

b. Qualitative analysis methods may be used and must be described in detail.

c. Benchmarking and comparisons to national and state standards, should be used, where appropriate.

d. Proposed health measures could include CMS's Core Set of Health Care Quality Measures for Children in Medicaid and CHIP, Consumer Assessment of Health Care Providers and Systems (CAHPS), the Initial Core Set of Health Care Quality Measures for Medicaid-Eligible Adults and/or measures endorsed by National Quality Forum (NQF).

e. Proposed performance metrics can be selected from nationally recognized metrics, for example from sets developed by the Center for Medicare and Medicaid Innovation or for meaningful use under Health Information Technology (HIT).

f. Among considerations in selecting the metrics shall be opportunities identified by the state for improving quality of care and health outcomes, and controlling cost of care.

5. Data Sources. Explain where the data will be obtained, and efforts to validate and clean the data. Discuss the quality and limitations of the data sources.

    a. *If primary data (data collected specifically for the evaluation):* The methods by which the data will be collected, the source of the proposed question/responses, the frequency and timing of data collection, and the method of data collection. (Copies of any proposed surveys must be reviewed with CMS for approval before implementation).

6. Analytic Methods. This section includes the details of the selected quantitative and/or qualitative measures to adequately assess the effectiveness of the demonstration. This section should:

    a. Identify the specific statistical testing which will be undertaken for each measure (e.g., t-tests, chi-square, odds ratio, ANOVA, regression). Table A is an example of how the state might want to articulate the analytic methods for each research question and measure.

    b. Explain how the state will isolate the effects of the demonstration (from other initiatives occurring in the state at the same time) through the use of comparison groups.

c. A discussion of how propensity score matching and difference in differences design may be used to adjust for differences in comparison populations over time (if applicable).

d. The application of sensitivity analyses, as appropriate, should be considered.

7. Other Additions. The state may provide any other information pertinent to the Evaluation Design of the demonstration.

Table 1: Example Design Table for the Evaluation of the Demonstration

Research Question	Outcome Measures Used to Address the Research Question	Sample or Population Subgroups to be Compared	Data Sources	Analytic Methods
Hypothesis 1				
Research question 1a	-Measure 1 -Measure 2 -Measure 3	-Sample e.g. All attributed Medicaid beneficiaries -Beneficiaries with diabetes diagnosis	-Medicaid fee-for-service and encounter claims records	-Interrupted time series
Research question 1b	-Measure 1 -Measure 2 -Measure 3 -Measure 4	-sample, e.g., PPS patients who meet survey selection requirements (used services within the last 6 months)	-Patient survey	Descriptive statistics
Hypothesis 2				
Research question 2a	-Measure 1 -Measure 2	-Sample, e.g., PPS administrators	-Key informants	Qualitative analysis of interview material

D. **Methodological Limitations.** This section provides detailed information on the limitations of the evaluation. This could include the design, the data sources or collection process, or analytic methods. The state should also identify any efforts to minimize the limitations. Additionally, this section should include any information about features of the demonstration that effectively present methodological constraints that the state would like CMS to take into consideration in its review. For example:

1. When the state demonstration is:

    a. Long-standing, non-complex, unchanged, or

    b. Has previously been rigorously evaluated and found to be successful, or

    c. Could now be considered standard Medicaid policy (CMS published regulations or guidance)

2. When the demonstration is also considered successful without issues or concerns that would require more regular reporting, such as:

    a. Operating smoothly without administrative changes; and

    b. No or minimal appeals and grievances; and

    c. No state issues with CMS-64 reporting or budget neutrality; and

    d. No Corrective Action Plans (CAP) for the demonstration.

E. Attachments.

1. Independent Evaluator. This includes a discussion of the state's process for obtaining an independent entity to conduct the evaluation, including a description of the qualifications that the selected entity must possess, and how the state will assure no conflict of interest. Explain how the state will assure that the Independent Evaluator will conduct a fair and impartial evaluation, prepare an objective Evaluation Report, and that there would be no conflict of interest. The evaluation design should include "No Conflict of Interest" signed by the independent evaluator.

2. Evaluation Budget. A budget for implementing the evaluation shall be provided with the draft Evaluation Design. It will include the total estimated cost, as well as a breakdown of estimated staff, administrative, and other costs for all aspects of the evaluation. Examples include but are not limited to: the development of all survey and measurement instruments; quantitative and qualitative data collection; data cleaning and analyses; and reports generation. A justification of the costs may be required by CMS if the estimates provided do not appear to sufficiently cover the costs of the draft Evaluation Design or if CMS finds that the draft Evaluation Design is not sufficiently developed.

3. Timeline and Major Milestones. Describe the timeline for conducting the various evaluation activities, including dates for evaluation-related milestones, including those related to procurement of an outside contractor, if applicable, and deliverables. The Final Evaluation Design shall incorporate an Interim and Summative Evaluation. Pursuant to 42 CFR 431.424(c)(v), this timeline should also include the date by which the Final Summative Evaluation report is due.

ATTACHMENT B

Preparing the Interim and Summative Evaluation Reports

Introduction

For states that are testing new approaches and flexibilities in their Medicaid programs through section 1115 demonstrations, evaluations are crucial to understand and disseminate what is or is not working and why. The evaluations of new initiatives seek to produce new knowledge and direction for programs and inform Medicaid policy for the future. While a narrative about what happened during a demonstration provide important information, the principal focus of the evaluation of a section 1115 demonstration should be obtaining and analyzing data on the process (e.g., whether the demonstration is being implemented as intended), outcomes (e.g., whether the demonstration is having the intended effects on the target population), and impacts of the demonstration (e.g., whether the outcomes observed in the targeted population differ from outcomes in similar populations not affected by the demonstration). Both state and federal governments could benefit from improved quantitative and qualitative evidence to inform policy decisions.

Expectations for Evaluation Reports

Medicaid section 1115 demonstrations are required to conduct an evaluation that is valid (the extent to which the evaluation measures what it is intended to measure), and reliable (the extent to which the evaluation could produce the same results when used repeatedly). To this end, the already approved Evaluation Design is a map that begins with the demonstration goals, then transitions to the evaluation questions, and to the specific hypotheses, which will be used to investigate whether the demonstration has achieved its goals. States should have a well-structured analysis plan for their evaluation. As these valid analyses multiply (by a single state or by multiple states with similar demonstrations) and the data sources improve, the reliability of evaluation findings will be able to shape Medicaid policy in order to improve the health and welfare of Medicaid beneficiaries for decades to come. When submitting an application for renewal, the interim evaluation report should be posted on the state's website with the application for public comment. Additionally, the interim evaluation report must be included in its entirety with the application submitted to CMS.

Intent of this Guidance

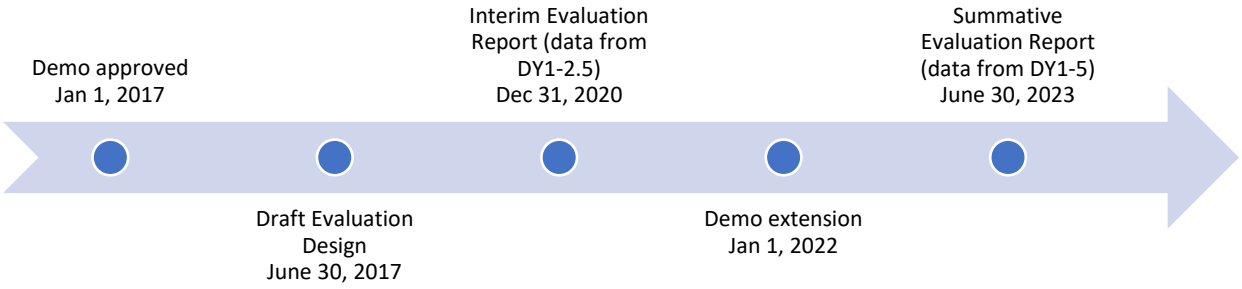
The Social Security Act (the Act) requires an evaluation of every section 1115 demonstration. In order to fulfill this requirement, the state's submission must provide a comprehensive written presentation of all key components of the demonstration, and include all required elements specified in the approved Evaluation Design. This Guidance is intended to assist states with organizing the required information in a standardized format and understanding the criteria that CMS will use in reviewing the submitted Interim and Summative Evaluation Reports.

The format for the Interim and Summative Evaluation reports is as follows:

A. Executive Summary
B. General Background Information
C. Evaluation Questions and Hypotheses
D. Methodology
E. Methodological Limitations
F. Results
G. Conclusions
H. Interpretations, and Policy Implications and Interactions with Other State Initiatives
I. Lessons Learned and Recommendations; and
J. Attachment(s).

Submission Timelines

There is a specified timeline for the state's submission of Evaluation Designs and Evaluation Reports. These dates are specified in the demonstration Special Terms and Conditions (STCs). (The graphic below depicts an example of this timeline). In addition, the state should be aware that section 1115 evaluation documents are public records. In order to assure the dissemination of the evaluation findings, lessons learned, and recommendations, the state is required to publish to the state's website the evaluation design within thirty (30) days of CMS approval, and publish reports within thirty (30) days of submission to CMS, pursuant to 42 CFR 431.424. CMS will also publish a copy to Medicaid.gov.



Required Core Components of Interim and Summative Evaluation Reports

The section 1115 Evaluation Report presents the research about the section 1115 Demonstration. It is important that the report incorporate a discussion about the structure of the Evaluation Design to explain the goals and objectives of the demonstration, the hypotheses related to the demonstration, and the methodology for the evaluation. A copy of the state's Driver Diagram (described in the Evaluation Design guidance) must be included with an explanation of the depicted information. The Evaluation Report should present the relevant data and an interpretation of the findings; assess the outcomes (what worked and what did not work); explain the limitations of the design, data, and analyses; offer recommendations regarding what (in hindsight) the state would further advance, or do differently, and why; and discuss the implications on future Medicaid policy. Therefore, the state's submission must include:

A. **Executive Summary.** A summary of the demonstration, the principal results, interpretations, and recommendations of the evaluation.

B. **General Background Information about the Demonstration.** In this section, the state should include basic information about the demonstration, such as:

1. The issues that the state is trying to address with its section 1115 demonstration and/or expenditure authorities, how the state became aware of the issue, the potential magnitude of the issue, and why the state selected this course of action to address the issues.

2. The name of the demonstration, approval date of the demonstration, and period of time covered by the evaluation;

3. A brief description of the demonstration and history of the implementation, and if the evaluation is for an amendment, extension, renewal, or expansion of, the demonstration;

4. For renewals, amendments, and major operational changes: A description of any changes to the demonstration during the approval period; whether the motivation for change was due to political, economic, and fiscal factors at the state and/or federal level; whether the programmatic changes were implemented to improve beneficiary health, provider/health plan performance, or administrative efficiency; and how the Evaluation Design was altered or augmented to address these changes.

5. Describe the population groups impacted by the demonstration.

C. **Evaluation Questions and Hypotheses.** In this section, the state should:

1. Describe how the state's demonstration goals were translated into quantifiable targets for improvement, so that the performance of the demonstration in achieving these targets could be measured. The inclusion of a Driver Diagram in the Evaluation Report is highly encouraged, as the visual can aid readers in understanding the rationale behind the demonstration features and intended outcomes.

2. Identify the state's hypotheses about the outcomes of the demonstration;

    a. Discuss how the goals of the demonstration align with the evaluation questions and hypotheses;

    b. Explain how this Evaluation Report builds upon and expands earlier demonstration evaluation findings (if applicable); and

    c. Address how the research questions / hypotheses of this demonstration promote the objectives of Titles XIX and XXI.

D. **Methodology**. In this section, the state is to provide an overview of the research that was conducted to evaluate the section 1115 demonstration consistent with the approved Evaluation Design.

The evaluation design should also be included as an attachment to the report. The focus is on showing that the evaluation builds upon other published research (use references), and meets the prevailing standards of scientific and academic rigor, and the results are statistically valid and reliable.

An interim report should provide any available data to date, including both quantitative and qualitative assessments. The Evaluation Design should assure there is appropriate data development and collection in a timely manner to support developing an interim evaluation.

This section provides the evidence that the demonstration evaluation used the best available data and describes why potential alternative data sources were not used; reported on, controlled for, and made appropriate adjustments for the limitations of the data and their effects on results; and discusses the generalizability of results. This section should provide enough transparency to explain what was measured and how. Specifically, this section establishes that the approved Evaluation Design was followed by describing:

1. Evaluation Design. Will the evaluation be an assessment of: pre/post, post-only, with or without comparison groups, etc.?

2. Target and Comparison Populations. Describe the target and comparison populations; include inclusion and exclusion criteria.

3. Evaluation Period. Describe the time periods for which data will be collected

4. Evaluation Measures. What measures are used to evaluate the demonstration, and who are the measure stewards?

5. Data Sources. Explain where the data will be obtained, and efforts to validate and clean the data.

6. Analytic Methods. Identify specific statistical testing which will be undertaken for each measure (t-tests, chi-square, odds ratio, ANOVA, regression, etc.).

7. Other Additions. The state may provide any other information pertinent to the evaluation of the demonstration.

E. **Methodological Limitations.** This section provides sufficient information for discerning the strengths and weaknesses of the study design, data sources/collection, and analyses.

F. **Results.** In this section, the state presents and uses the quantitative and qualitative data to show to whether and to what degree the evaluation questions and hypotheses of the demonstration were achieved. The findings should visually depict the demonstration

results (tables, charts, graphs). This section should include information on the statistical tests conducted.

G. **Conclusions.** In this section, the state will present the conclusions about the evaluation results.

1. In general, did the results show that the demonstration was/was not effective in achieving the goals and objectives established at the beginning of the demonstration?

2. Based on the findings, discuss the outcomes and impacts of the demonstration and identify the opportunities for improvements. Specifically:

    a. If the state did not fully achieve its intended goals, why not? What could be done in the future that would better enable such an effort to more fully achieve those purposes, aims, objectives, and goals?

H. **Interpretations, Policy Implications and Interactions with Other State Initiatives.** In this section, the state will discuss the section 1115 demonstration within an overall Medicaid context and long-range planning. This should include interrelations of the demonstration with other aspects of the state's Medicaid program, interactions with other Medicaid demonstrations, and other federal awards affecting service delivery, health outcomes and the cost of care under Medicaid. This section provides the state with an opportunity to provide interpretation of the data using evaluative reasoning to make judgments about the demonstration. This section should also include a discussion of the implications of the findings at both the state and national levels.

I. **Lessons Learned and Recommendations.** This section of the Evaluation Report involves the transfer of knowledge. Specifically, the "opportunities" for future or revised demonstrations to inform Medicaid policymakers, advocates, and stakeholders is just as significant as identifying current successful strategies. Based on the evaluation results:

1. What lessons were learned as a result of the demonstration?

2. What would you recommend to other states which may be interested in implementing a similar approach?

F. **Attachment: Evaluation Design.** Provide the CMS-approved Evaluation Design.

ATTACHMENT C

Reserved for Reentry Demonstration Initiative Implementation Plan

ATTACHMENT D

Reserved for Reentry Demonstration Initiative Reinvestment Plan

ATTACHMENT E

Reentry Demonstration Initiative Services

Covered Service	Definition
Case Management	Providers will establish client relationships, conduct a needs assessment, develop a person-centered care plan, and make appropriate linkages and referrals to post-release care and supports.
Medication Assisted Treatment (MAT) Services	Medication for opioid use disorders (OUD) and alcohol use disorders (AUD), including medication in combination with counseling/behavioral therapies, as clinically appropriate.
30-day Supply of Prescription Medications	At minimum, a 30-day supply of prescription medication in hand upon release, consistent with Medicaid and CHIP State Plan coverage.
Practitioner Office Visit	Physical, behavioral health, and dental screening services, as medically necessary, that are intended to support the creation of a comprehensive, robust, and successful reentry plan. Evaluation and management visits and wellness exams, including face to face for durable medical equipment. Screening services include appropriate immunizations according to age and health history, in accordance with the advisory committee on immunization practices schedule for pediatric vaccines. Screening services may be provided outside of an "office" setting.
Diagnostic services	Physical and behavioral health diagnostic services, as medically necessary, that are intended to support the creation of a comprehensive, robust, and successful reentry plan.
Prescribed Drugs and Medication Administration	Medications and medication administration during the pre-release period, as clinically appropriate, consistent with Medicaid State Plan coverage.
Medical Equipment and Supplies	Prescription or written order for durable medical equipment in hand upon release, consistent with Medicaid and CHIP State Plan coverage. Includes coverage related to the required face to face evaluation and management office visit to prescribe/order durable medical equipment (DME) conducted by a practitioner as part of the written plan of care and the coverage of the equipment and supplies.

ATTACHMENT F

Reserved for Monitoring Protocol

PRA Disclosure Statement: The goal of this voluntary template is to expedite CMS' reviews and approvals of states' requests for approval of Medicaid Section 1115 Reentry Demonstration Initiative applications, and to support state implementation planning and related transparency, as outlined in Application Procedures Part 42 CFR Section 431.412.

Under the Privacy Act of 1974 any personally identifying information obtained will be kept private to the extent of the law. According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148 (CMS-10398 #86). The time required to complete this information collection is estimated to average six hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

Medicaid Section 1115 Reentry Demonstration Initiative Preprint

The Reentry Section 1115 Demonstration Opportunity permits an approved state to provide coverage for certain demonstration services to incarcerated individuals for up to 90 days prior to an individual's release date, consistent with the statutory directive in section 5032 of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act). The State Medicaid Director Letter (SMDL)[1] for the Reentry Section 1115 Demonstration Opportunity outlines minimum requirements a state must meet to obtain demonstration approval, as well as state flexibilities.

Additionally, State Health Official Letter (SHO) #24-004[2] describes the mandatory state plan coverage requirements of section 1902(a)(84)(D) and 2102(d)(2) of the Act for eligible juveniles and targeted low-income children that are within 30 days of their scheduled date of release from a public institution following adjudication. These requirements are effective January 1, 2025. As described further in this document in section 11, to the extent there is overlap between this mandatory coverage and the reentry demonstration initiative, CMS can provide the state with a waiver of the otherwise mandatory state plan coverage requirements to permit the state to cover at least the same services for the same individuals under the reentry demonstration initiative.

Use of this preprint is not a substitute for a section 1115 demonstration application and transparency requirements detailed in 42 CFR 431.412 (demonstration application procedures). While CMS will consider each section 1115 demonstration application on its own merits, completing this preprint may help a state further clarify its proposed reentry demonstration design parameters reflected in the state's application for CMS consideration. Completion of this preprint is not an assurance of approval and inclusion of requests that are outside of our current policy framework for reentry demonstration initiatives may delay approval.

Section 1: General Information

1.A. The state of Michigan requests approval for a Medicaid/CHIP section 1115 reentry demonstration initiative.

1.B. **Type of Request** *(select only one)*:

- ◉ New section 1115 demonstration
- ○ Extension of section 1115 demonstration
- ○ Amendment to section 1115 demonstration

1.B.1. If the state is requesting an extension or an amendment, provide the following information:

Demonstration Project Number:

CHIP Project Number (if applicable):

[1] SMD# 23-003, "Opportunities to Test Transition-Related Strategies to Support Community Reentry and Improve Care Transitions for Individuals Who Are Incarcerated," https://www.medicaid.gov/sites/default/files/2023-12/smd23003.pdf.

[2] SHO# 24-004, "Provision of Medicaid and CHIP Services to Incarcerated Youth," see, https://www.medicaid.gov/federal-policy-guidance/downloads/sho24004.pdf.

1.B.2. Provide the proposed effective date and implementation date for pre-release services. The proposed implementation date should reflect the latest date that the state will begin providing pre-release services under the reentry demonstration initiative.

Proposed Effective Date: 07/01/2025

Proposed Implementation Start Date: 01/01/2027

Proposed Date of Full Implementation: 07/01/2029

Section 2: Reentry Demonstration Initiative Goals

CMS expects the reentry demonstration initiative application to address the following goals: 1) ***increase coverage, continuity of coverage, and appropriate service uptake*** *through assessment of eligibility and availability of coverage for benefits in correctional facility settings just prior to release; 2)* ***improve access to services*** *prior to release and improve transitions and continuity of care into the community upon release; 3)* ***improve coordination and communication*** *between correctional systems, Medicaid and CHIP systems, managed care plans, and community-based providers; 4)* ***increase additional investments in health care and related services****, aimed at improving the quality of care for individuals in correctional facility settings and in the community to maximize successful reentry post-release; 5)* ***improve connections between correctional facility settings and community services*** *upon release to address physical and behavioral health; 6)* ***reduce all-cause deaths*** *in the near-term post-release; 7)* ***reduce the number of emergency department (ED) visits and inpatient hospitalizations*** *among recently incarcerated Medicaid and CHIP individuals through increased receipt of preventive and routine physical and behavioral health care; and 8)* ***provide intervention for certain behavioral health conditions*** *and use stabilizing medications like long-acting injectable antipsychotics and medications for addiction treatment for SUDs, with the goal of reducing overdose and overdose-related death in the near-term post-release.*

☒ By checking this box, the state acknowledges having read the summary above and intends to address all eight goals.

If applicable, list any additional goals the state intends to address with the proposed reentry demonstration initiative.

N/A

Section 3: Demonstration Design

3.A. Statewide Implementation and Participating Facilities. Select the option that best corresponds with the state's proposal for implementing the reentry demonstration initiative across geographic locations.

- ○ The state intends to implement the reentry demonstration initiative **statewide.**
- ⊙ The state intends to implement the reentry demonstration initiative on a **non-statewide basis** or within a **specific geographic location(s).** Explain the rationale for implementing less than statewide, which geographic locations will be included, and why the regions were selected in the text box below.

As described in this application, Michigan is seeking a waiver of statewideness to enable the state to provide pre-release services, as described in this application, to qualifying beneficiaries on a geographically limited basis. The waiver of statewideness will support Michigan's phased implementation approach.

3.A.1. Select the facility type(s) in which the state proposes to implement the reentry demonstration initiative.

- ☒ Jails
- ☒ Prisons
- ☒ Youth correctional facilities
- ☒ Tribal correctional facilities
- ☐ Other, specify:

3.A.2. If the state has state-specific names for the facility types selected in section 3.A.1, provide those state-specific terms below.

State Prisons
County Jails
Juvenile Facilities (including Juvenile Justice Facilities and County-Operated Juvenile Detention Centers)

3.A.3. If applicable, describe the state's proposal to phase in implementation of the reentry demonstration initiative separately by geography, participating facility, and/or by facility type as selected above.

The Demonstration will be implemented through a phased in approach:
- In Phase 1, all state prisons and juvenile facilities that demonstrate readiness, as determined by a readiness assessment to be developed by the State, will participate.
- In Phase 2, local county jails that demonstrate readiness can opt-in to the Demonstration.

3.B. Population(s) Covered and Pre-Release Timeframe. Select the populations that the state proposes to cover and provide the proposed pre-release coverage period for each population. Then select whether the state proposes to apply any additional criteria, such as health conditions, and summarize those additional criteria.[3]

3.B.1. Medicaid-Eligible Adults

☐ The state does not intend to cover this population.

Proposed pre-release coverage period for the adult population: 90 days prior to release

Proposed population (*Select only one*):

- ⊙ All Medicaid-eligible **adults** incarcerated in participating facilities with **no additional health or other criteria**.
- ○ All Medicaid-eligible **adults** incarcerated in participating facilities **who meet health-related or other criteria**. Specify the criteria in the text box below.

N/A

3.B.2. Medicaid-Eligible Children

☐ The state does not intend to cover this population.

Proposed pre-release coverage period for the child population: 90 days prior to release

State-defined age for child population: Under 19

Proposed population (*Select only one*):

- ⊙ All Medicaid-eligible **children** (as defined by the state above) incarcerated in participating facilities with **no additional health-related or other criteria**.
- ○ All Medicaid-eligible **children** (as defined by the state above) incarcerated in participating facilities **who meet health-related or other criteria**. Specify the criteria in the text box below.

N/A

[3] For example, subgroups or specific health or other criteria used to define eligibility for the reentry demonstration initiative may include and are not limited to:

- Subgroups: Aged (age 65 and older), medically fragile, adults with dependent children, individuals with intellectual or developmental disability (I/DD), pregnant or postpartum
- Behavioral health condition: Mental illness, serious mental illness (SMI), serious emotional disturbance (SED), substance use disorder (SUD)
- Chronic condition or disease: Traumatic brain injury (TBI), Hepatitis C, HIV/AIDS, chronic obstructive pulmonary disease (COPD), diabetes, sickle cell disease

3.B.3. Children's Health Insurance Program (CHIP)-Eligible Individuals

- ○ The state does not intend to cover this population.
- ○ The state has Medicaid-CHIP (M-CHIP) and is covering this population in the reentry demonstration initiative.
- ○ The state has Separate-CHIP (S-CHIP) and is covering this population in the reentry demonstration initiative.
- ◉ The state has a combination of M-CHIP and S-CHIP and is covering both populations in the reentry demonstration initiative.

Please complete the below section if covering an S-CHIP population. Skip to prompt 3.B.4. if the state is not covering S-CHIP.

Proposed pre-release coverage period for the S-CHIP-eligible population: 90 days prior to release

Proposed population (*Select only one*):

- ◉ All S-CHIP-eligible individuals incarcerated in participating facilities with **no additional health-related or other criteria**.
- ○ All S-CHIP-eligible individuals incarcerated in participating facilities **who meet health-related or other criteria**. Specify the criteria in the text box below.

N/A

3.B.4. If the state selected "Other" for the proposed pre-release coverage period(s) in prompts 3.B.1. through 3.B.3., or has any other details to share on the state's proposed covered population(s) (for example, how the state proposes identifying these sub-populations and defining needs criteria), please specify in the text box below.

N/A

3.C. Scope of the Pre-Release Services

3.C.1. Per SMDL #23-003, CMS expects that states offer the following minimum set of services in any facility that participates in the reentry demonstration initiative: 1) **case management** to assess and address physical, behavioral, and any health-related social needs (HRSN), as applicable; 2) **medication assisted treatment (MAT) services** for all types of substance use disorder (SUD) as clinically appropriate, including coverage for all Food and Drug Administration (FDA) approved medications, with accompanying counseling; and 3) **a 30-day supply of all prescription medications** including prescribed over-the-counter drugs (OTC)[4] (as clinically appropriate), provided to the individual immediately upon release from the correctional facility, consistent with approved Medicaid or CHIP state plan coverage authority and policy.[5,6]

☒ By checking this box, the state acknowledges having read the summary above.

3.C.2. Does the state intend to provide the expected minimum set of services listed above?

◉ Yes

○ No, explain rationale in the text box below.

N/A

3.C.3. To the extent the state chooses to provide prescribed drug coverage under demonstration authority in a manner that would provide less coverage for prescribed drugs than under the optional Medicaid benefit described at section 1905(a)(12), consistent with sections 1902(a)(54) and 1927 (the Medicaid Drug Rebate Program), the state may not seek federal nor supplemental state specific rebates under section 1927 of the Act for any of the prerelease drugs provided under the demonstration. This would apply to MAT drugs and (as clinically appropriate based on the medication dispensed and the indication), if those drugs are covered through the reentry demonstration initiative, as well any additional pre-release covered outpatient drugs, such as hepatitis C drugs. Therefore, in order for states to be permitted under this demonstration opportunity to seek rebates, they must include all covered outpatient drugs pre-release and meet the Medicaid Drug Rebate program section 1927 requirements.

☒ By checking this box, the state acknowledges having read the summary above.

[4] OTC as covered under the prescribed drug benefit.

[5] SMDL #23-003, p. 17.

[6] Expenditures for the 30-day supply of prescription medication should not be included in the per-member per-month (PMPM) amount for pre-release services. CMS considers this benefit a Medicaid-covered expenditure as it is provided *upon* release rather than during an individual's incarceration.

3.C.4. Select the checkboxes associated with the additional services[7] the state proposes to provide under the reentry demonstration initiative. Any pre-release services requested in the "other" category should reflect the needs of the carceral populations and the carceral settings served through this demonstration. Also, provide proposed service definitions for the selected services in prompt 3.C.5. Please note that upon CMS approval of a reentry demonstration, CMS will require the state to define the 1905(a) benefits associated with the below services in a reentry implementation plan.

- ☒ Practitioner office visit (e.g., physical exam; wellness exam; evaluation and management visit; mental health or substance use disorder treatment, therapy, or counseling; or other)
- ☒ Diagnostic services, including laboratory and radiology services
- ☒ Prescribed drugs (in addition to MAT and the 30-day supply of prescription medications) and medication administration
- ☐ Treatment for Hepatitis C
- ☐ Treatment for Human Immunodeficiency Virus (HIV)
- ☐ Treatment for Tuberculosis (TB)
- ☐ Treatment for other conditions
- ☒ Medical equipment and supplies
- ☐ Family planning services and supplies
- ☐ Services provided by community health workers
- ☐ Peer support services
- ☐ Other, *specify:*

[7] States requesting to add pre-release services beyond the expected minimum set of services should base these additional services on the needs of the carceral populations they are proposing to serve and the carceral settings included in the demonstration. Such services would be otherwise coverable state plan services, if not for the inmate payment exclusion.

3.C.5. Service Definitions. Please provide the state's proposed service definitions for the three services that comprise the minimum set of services and any pre-release services selected in prompt 3.C.4. Please note that CMS expects states to define the 1905(a) benefits associated with the selected services in a reentry demonstration initiative implementation plan.

Covered Service	Definition
Case Management	Providers will establish client relationships, conduct a needs
Medication Assisted Treatment (MAT) Services	Medication for opioid use disorders (OUD) and alcohol use disorders (AUD), including medication in combination with
30-day Supply of Prescription Medications	At minimum, a 30-day supply of prescription medication in hand upon release, consistent with Medicaid and CHIP State Plan
Practitioner Office Visit	Physical, behavioral health, and dental screening services, as
Diagnostic services	Physical and behavioral health diagnostic services, as medically
Prescribed Drugs and Medication Administration	Medications and medication administration during the pre-release period, as clinically appropriate, consistent with Medicaid State
Treatment for Hepatitis C	
Treatment for HIV	
Treatment for TB	
Treatment for Other Conditions	
Medical Equipment and Supplies	Prescription or written order for durable medical equipment in
Family Planning Services and Supplies	
Services Provided by Community Health Workers	
Peer Support Services	
Other (specify)	

3.C.6. Does the state intend to vary coverage of any additional service(s) to specific populations or facility types?

- ○ No
- ⊙ Yes, indicate which services and explain rationale in the text box below.

Yes, Michigan is seeking waivers of amount, duration, and scope, and comparability to enable the state to provide only a limited set of pre-release services, as described in this application, to qualifying beneficiaries that is different than the services available to all other beneficiaries outside of carceral settings in the same eligibility groups authorized under the state plan or the Demonstration. In addition, Michigan is seeking a waiver of

3.C.7. If applicable, describe the state's proposal to phase in provision of services beyond the expected minimum set of services.[8]

Michigan plans to phase in services based on facility type and readiness. Facilities may go-live if they demonstrate readiness to provide the minimum three services.

3.C.8. If applicable, and if the state proposes to implement pre-release services via structured tiers, rather than providing all pre-release services in each participating facility, the state must require participating facilities to select a service level for implementation. Service level one is the expected minimum set of services. The state may define additional service level categories in its implementation plan. A facility must implement all the services within its chosen service level. As applicable, additional service levels may be phased-in by facilities in any order, e.g., service level two would not be a prerequisite for phasing-in service level three.

- ⊙ Yes, the state will implement pre-release services using a service level approach.
- ○ No, this is not applicable.

[8] Setting aside the minimum set of services, which must be provided for a facility to begin implementation, if a facility is not equipped to provide or facilitate all of the additional pre-releases services included in the state's demonstration, the facility must provide a timeline of when it will be equipped to do so, including concrete steps and their anticipated completion dates that will be necessary to ensure that qualifying individuals are able to receive timely pre-release services that are needed. If the state is implementing pre-release services via structured tiers, rather than providing all pre-release services in each participating facility, the state will require participating facilities to select a Services Level for implementation. Service Level One is the expected minimum set of services. The state may define additional Service Level categories in its Implementation Plan. A facility must implement all the services within its chosen Service Level. As applicable, additional service levels may be phased-in by facilities in any order, e.g., Service Level Two would not be a prerequisite for phasing-in Service Level Three. The state may also phase-in services by population or by medical condition.

Section 4: Medicaid/CHIP Eligibility and Enrollment Policy

Select the option that corresponds to the state's policy to suspend Medicaid/CHIP eligibility during incarceration:

- ◉ The state **currently has** a policy to suspend rather than terminate benefits.
- ○ The state intends to **implement** a policy to suspend and not terminate eligibility, with a glide path of up to two years from approval to implement. *If selected, indicate the anticipated effective date of this policy:*

Section 5: Participating Providers

CMS expects providers delivering pre-release services to participants in the reentry demonstration initiative to meet the following requirements: 1) licensed and credentialed providers that are enrolled shall provide services within their individual scope of practice and, as applicable, receive supervision required under their scope of practice laws; 2) providers may be either community-based or correctional-facility based; 3) providers and staff must have necessary experience and training prior to furnishing demonstration-covered pre-release services outlined in section 3.C.; and 4) providers of case management must have expertise working with justice-involved individuals.

- ☒ By checking this box, the state acknowledges having read the summary above.

5.A. Please describe below any limiting criteria the state intends to use for selecting participating providers to deliver pre-release services.

The state does not in tend to use any limiting criteria for selecting participating providers to deliver pre-release services. All providers will be required to enroll as Medicaid enrolled providers and develop billing and claiming mechanisms prior to the provision of services.

5.B. Will the state provide pre-release services through a fee-for-service delivery system or through managed care?

- ☒ Fee-for-service
- ☐ Managed care

Section 6: Monitoring and Evaluation

CMS expects a state with an approved reentry section 1115 demonstration to submit an implementation plan, a monitoring protocol, monitoring reports, a mid-point assessment, an evaluation design, and interim/summative evaluation reports. States with an approved reentry section 1115 demonstration will be expected to complete all implementation activities necessary to achieve the milestones discussed in the SMDL and included in the approved Special Terms and Conditions (STC) governing the demonstration. The monitoring and evaluation expectations will align with the goals and milestones of the approved demonstration, including state-specific policy nuances that the state requests and CMS approves.

Evaluation of these demonstrations must be designed to examine whether the initiative expands Medicaid coverage through increased enrollment of eligible individuals, and efficient high-quality pre-release services that promote continuity of care into the community post-release. In addition, the evaluation hypotheses must focus on, but is not limited to: cross-system communication and coordination; connections between correctional and community services; access to and quality of care in correctional and community settings; preventive and routine physical and behavioral health care utilization; non-emergent emergency department visits and inpatient hospitalizations; and all-cause deaths.

☒ By checking this box, the state acknowledges having read the summary above.

6.A. Please note that per the SMDL, states approved to provide greater than 30 days pre-release services (up to 90 days) must propose hypotheses around the extended pre-release timeframe within the Evaluation Design. If the proposed pre-release coverage is beyond the minimum 30-day period for any covered population, the state is expected to evaluate the relationship between offering pre-release coverage for more than 30 days and salient post-release outcomes measures. CMS expects that these outcome measures include: utilization of acute care services for chronic and other serious conditions, overdose, and overdose- and suicide-related and all-cause deaths in the period soon after release. Select the option that applies to the state's request:

- ○ The state is requesting approval for 30 days pre-release services.
- ⊙ The state is requesting approval for more than 30 days pre-release services and intends to evaluate the above outcome measures.
- ○ The state is requesting approval for more than 30 days pre-release services and proposes to evaluate an alternative set of outcome measures described in the textbox below:

Section 7: Funding for Transitional, Non-Service Expenditures

States may face significant upfront or one-time non-service costs needed to support necessary changes required by states, correctional facilities, and health care providers to implement and expand service provision and coordination with community providers, to support the implementation of the demonstration. Below are types of expenditures that CMS would consider for federal financial participation (FFP) authorized through a reentry demonstration initiative; CMS intends that such FFP would be for new spending only.

7.A.1. IT System and Non-Service Expenditures. Select the option(s) that correspond with any expenditures applicable to the state's intention to request funding for Planning and Implementation. Such expenditures would support planning and implementation as follows with further description in the implementation protocol within the following categories:

- ☒ **Technology and IT Services.** Such expenditures would support the purchase of technology for Qualified Applicants[9] which would be used for assisting the reentry demonstration initiative population with Medicaid/CHIP application and enrollment for demonstration coverage (e.g., for individuals who would be eligible for CHIP but for their incarceration status) and coordinating pre-release and post-release services for enrollees. This could include the development of electronic interfaces for prisons, jails, and youth correctional facilities to communicate with Medicaid/CHIP IT systems to support Medicaid/CHIP enrollment and suspension/unsuspension and modifications. This could also include support to modify and enhance existing IT systems to create and improve data exchange and linkages with correctional facilities, local county social services departments, county behavioral health agencies, and others, such as managed care plans and community-based providers, in order to support the provision of pre-release services delivered in the period up to 90 days immediately prior to the expected date of release and reentry planning.
- ☒ **Hiring of Staff and Training.** Such expenditures could support Qualified Applicants to recruit, hire, onboard, and train additional and newly assigned staff to assist with the coordination of Medicaid/CHIP enrollment and suspension/unsuspension, as well as the provision of pre-release services in a period for up to 90 days immediately prior to the expected date of release and for care coordination to support reentry for justice-involved individuals. These expenditures could also support training for staff of Qualified Applicants focused on working effectively and appropriately with justice-involved individuals.
- ☒ **Adoption of Certified Electronic Health Record Technology**. Such expenditures would support providers' purchase or necessary upgrades of certified electronic health record (EHR) technology and training for the staff that would use the EHR.
- ☒ **Purchase of Billing Systems**. Such expenditures would support the purchase of billing systems for Qualified Applicants.
- ☒ **Development of Protocols and Procedures**. Such expenditures would support the specification of steps to be taken in preparation for and execution of the Medicaid/CHIP enrollment process and suspension/unsuspension process for eligible individuals and coordination of a period for up to 90 days immediately prior to the expected date of release and reentry planning services for individuals qualifying for reentry demonstration initiative services.

[9] Qualified Applicants for the Reentry Demonstration Initiative Planning and Implementation Program will include the State Medicaid Agency, correctional facilities, other state agencies supporting carceral health, probation offices, and other entities as relevant to the needs of justice-involved individuals, including health care providers, and as approved by the state Medicaid agency.

- ☒ **Additional Activities to Promote Collaboration.** Such expenditures would support additional activities that are intended to advance collaboration among the state's correctional institutions (county jails, youth correctional facilities, and state prisons), correctional agencies (e.g., State Department of Corrections, Sheriff's Offices, Probation Offices, etc.), local county social services departments, county behavioral health agencies, managed care plans, community-based providers and others involved in supporting and planning for the reentry demonstration initiative. This could include conferences and meetings convened with the agencies, organizations, and stakeholders involved in the initiative.
- ☒ **Planning.** Such expenditures would support planning to focus on developing processes and information sharing protocols for: (1) identifying uninsured who are potentially eligible for Medicaid/CHIP; (2) assisting with the completion of an application; (3) submitting an application to the county social services department or coordinating suspension/unsuspension; (4) screening for eligibility for pre-release services and reentry planning in a period for up to 90 days immediately prior to the expected date of release; (5) delivering necessary services to eligible individuals in a period for up to 90 days immediately prior to the expected date of release and care coordination to support reentry; and (6) establishing ongoing oversight and monitoring process upon implementation.
- ☒ **Other Activities** to support a milieu appropriate for provision of pre-release services. Such expenditures would support providing a milieu appropriate for pre-release services in a period for up to 90 days immediately prior to the expected date of release, including accommodations for private space such as movable screen walls, desks, and chairs, to conduct assessments and interviews within correctional institutions, and support for installation of audio-visual equipment or other technology to support provision of pre-release services delivered via telehealth in a period for up to 90 days immediately prior to the expected date of release and care coordination to support reentry. Such expenditures could not include building, construction, or refurbishment of correctional facilities.

7.A.2. If the state intends to incorporate additional activities not captured in prompt 7.A.1., please provide this information in the text box below.

N/A

States may also receive FFP for designated state health programs (DSHP) to finance new initiatives under the reentry demonstration initiative. To be eligible, a state would need budget neutrality (BN) savings to offset DSHP expenditure authority. If a state is interested in pursuing DSHP to finance new initiatives under a reentry demonstration initiative, please complete prompt 7.B.

7.B. **Designated State Health Programs.** Indicate whether the state is requesting FFP for a designated state health program (DSHP) to support the reentry demonstration initiative.[10]

- ⊙ No
- ○ Yes, indicate the approximate amount of funding and the programs for which the state intends to request FFP. Describe how the state intends to use the DSHP funds to support the reentry initiative.

Section 8: Budget Neutrality

CMS will not approve a demonstration project under section 1115 of the Social Security Act unless the project is expected to be budget neutral to the federal government. A budget neutral demonstration project does not result in Medicaid costs to the federal government that are greater than what the federal government's Medicaid costs would likely have been absent the demonstration.[11] CMS expects the state to submit budget neutrality data, which is intended to capture financial projections for the demonstration for CMS to complete a budget neutrality assessment. After approval the state must submit quarterly/annual budget neutrality monitoring reports consistent with typical expectations and requirements for a section 1115 demonstration project.

- ☒ By checking this box, the state acknowledges having read the summary above.

8.A. Please check the box below to acknowledge the following:

- ☒ The state has completed the reentry budget neutrality formulation workbook.

[10] In order for CMS to approve a state's DSHP request for the reentry demonstration initiative, the request must have been included in the application formally submitted to CMS.

[11] States may wish to review recent demonstration approvals for an explanation of specific budget neutrality considerations. While CMS reviews each demonstration application individually, these approvals may be helpful reference documents. See: https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/nh-sud-treatment-recovery-access-ext-appvl-06162024.pdf.

Section 9: CHIP Allotment for the S-CHIP Population

Under this amendment, the state will be subject to a limit on the amount of federal title XXI funding that the state may receive on allowable demonstration expenditures during the demonstration period. CMS has long required, as a condition of demonstration approval, that demonstrations be "allotment neutral," meaning the federal title XXI funds for the state's S-CHIP program are restricted to the state's available allotment and reallocated funds. The state is eligible to receive title XXI funds for allowable title XXI demonstration expenditures, up to the amount of its title XXI allotment. Title XXI funds must be first used to fully fund costs associated with S-CHIP state plan populations. The demonstration expenditures are limited to remaining funds. In requiring demonstrations to be allotment neutral, CMS is constantly striving to achieve a balance between its interest in preserving the fiscal integrity of the S-CHIP program and its interest in facilitating state innovation and coverage through section 1115 demonstration approvals.

☒ By checking this box, the state acknowledges having read the summary above.

9.A. If the state indicated that it intends to cover the S-CHIP-eligible population in prompt 3.B.3., please check the box below to acknowledge the following:

☒ The state intends that title XXI funds (i.e., the allotment or reallocated funds) will first be used to fully fund costs associated with the S-CHIP state plan populations. Demonstration expenditures for providing services under the reentry demonstration initiative are limited to remaining funds.

9.B. Please provide the projected enrollment for S-CHIP individuals that will receive pre-release services and the per member per month (PMPM) rate.

Projected Enrollment: 795

PMPM Rate: $1,173.05

Section 10: Reinvestment Plan

CMS does not expect to approve state proposals for federal Medicaid matching funds for any existing carceral health care services that are currently funded unless the state agrees to reinvest the total amount of federal matching funds received for such services under the demonstration into activities and/or initiatives that increase access to and/or improve the quality of health care services and resources for individuals who are incarcerated and those who are soon to be released from carceral settings, and not supplant existing spending on such services and resources.

Interested states should expect to develop and submit as part of their implementation plan a reinvestment plan for CMS review and approval outlining how the funds will be reinvested.[12] *See pages 32-33 of the SMDL for information about reinvestment plan requirements.*

☒ By checking this box, the state acknowledges having read the summary above.

Indicate whether the state will submit a reinvestment plan for any federal Medicaid matching funds that will support carceral health care services that are currently funded.

○ The state **does not intend to use** any federal Medicaid matching funds to support existing carceral health care services that are currently funded and **will not submit** a reinvestment plan.

⊙ The state **intends to use** federal Medicaid matching funds to support existing carceral health care services that are currently funded and if approved, **will submit** a reinvestment plan as required. Specify the services in the text box below.

Michigan anticipates federal Medicaid matching dollars will be used to support existing carceral health supports, including administration of medications during the pre-release period. Michigan will submit the required reinvestment plan and is planning reinvestments to improve health care for the justice-involved population over the course

Section 11: Interaction with Mandatory State Plan Benefits for Eligible Juveniles and Targeted Low-Income Children

Section 5121 of the Consolidated Appropriations Act, 2023 (CAA, 2023; P.L. 117-328) amends the Social Security Act (the Act) and describes a mandatory population (post-adjudication eligible juveniles and targeted low-income children in CHIP) and set of pre-release and post-release services.[13] Every state is required to submit Medicaid and CHIP State Plan Amendments (SPAs) attesting to meeting the requirements in Section 5121 beginning January 1, 2025.

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[12] While CMS reviews each demonstration application individually, approvals may be helpful reference documents. For an example approved reinvestment plan, see: https://www.dhcs.ca.gov/provgovpart/Documents/California-Reentry-Demonstration-Initiative-Amendment-Approval.pdf.

[13] Section 5121 of the CAA, 2023 creates a new mandate in Medicaid for states, effective January 1, 2025, by amending section 1902(a)(84) of the Act (42 U.S.C. 1396a) to require states to provide specific screening and diagnostic services and targeted case management (including referrals) in the 30 days prior to release from incarceration, and targeted case management (including referrals) for at least 30 days post release for eligible juveniles post adjudication. In instances where that is not possible, the statute also allows that such screening and diagnostic services may be provided not later than one week, or as soon as practicable, after release from the public institution. Please see State Health Official Letter (SHO) #24-004 for more information. Targeted case management is described at 42 CFR 440.169.

To the extent there is overlap between the services required to be covered under section 1902(a)(84)(D) and 2102(d)(2) of the Act and coverage under this demonstration, CMS understands that it would be administratively burdensome for a state to identify whether each individual service is furnished to a beneficiary under the state plan or demonstration authority. Accordingly, to eliminate unnecessary administrative burden and ease implementation of statutorily required coverage and this demonstration, CMS can provide the state with a waiver of the otherwise mandatory state plan coverage requirements to permit the state instead to cover at least the same services for the same beneficiaries under this demonstration. This approach could ease implementation, administration, and claiming, and provide a more coherent approach to monitoring, and evaluation of the state's reentry coverage under the demonstration.

CMS expects that the state will provide coverage under the reentry demonstration initiative to eligible juveniles described in section 1902(nn)(2) in alignment with section 1902(a)(84)(D) of the Act, as well as targeted low-income children described in section 2102(d)(2) in alignment with that provision, if applicable, to the degree that there is overlap with the reentry demonstration initiative. Compliance and state plan submission requirements under Section 5121 of the CAA, 2023 will remain unchanged. Coverage of the population and benefits identified in sections 1902(a)(84)(D) of the Act and 2102(d)(2), as applicable, would automatically revert to state plan coverage in the event that this demonstration ends or eliminates coverage of beneficiaries and/or services specified in those provisions.

☒ By checking this box, the state acknowledges having read the summary above and is requesting waivers of the required state plan coverage for eligible juveniles and targeted low-income children and will *fully* include these populations and services under the state's reentry demonstration initiative.

Under this option, the state will provide all statutorily required services — including targeted case management[14] and screening and diagnostic services for Medicaid eligible individuals and screening, diagnostic, and case management services otherwise available under the CHIP state plan for CHIP eligible individuals — to all individuals under 21 years of age who have been determined eligible for Medicaid, or who have been determined eligible for CHIP to the extent the pre-release services are otherwise covered under the CHIP state plan, as well as individuals ages 18 to 26 who have been determined eligible for the mandatory eligibility group for former foster care children. These services will be provided in all state prisons, local jails, tribal jails and prisons (if applicable), and all juvenile detention and youth correctional facilities in the state. The state will claim for all of these services as demonstration-covered expenditures.

[14] Case management services that are compliant with this mandatory state plan coverage may be defined as, 1) conducting follow-up with community-based providers to ensure engagement was made with individual and community based providers as soon as possible and no later than 30 days from release; and 2) conducting follow up with the individual to ensure engagement with community-based providers, behavioral health services, and other aspects of discharge/reentry planning, as necessary, no later than 30 days from release.

☐ By checking this box, the state acknowledges having read the summary above and is requesting waivers of the required state plan coverage for eligible juveniles and targeted low-income children and will *partially* include this population under the state's reentry demonstration initiative.

Under this option, the state will provide (1) all statutorily required pre-release services to a subset of eligible juveniles and targeted low-income children; (2) a subset of statutorily required pre-release services to all eligible juveniles and targeted low-income children; or (3) a subset of statutorily required pre-release services to a subset of eligible juveniles and targeted low-income children. These services may be provided in a subset of state prisons, local jails, tribal jails and prisons (if applicable), or juvenile detention or youth correctional facilities in the state. The state will claim for the overlapping services furnished to overlapping beneficiaries as demonstration-covered expenditures. The state will claim for the statutorily required services furnished to statutorily required beneficiaries that are not included in the demonstration as state plan expenditures.

☐ By checking this box, the state acknowledges having read the summary above and is *not* requesting waivers of the required state plan coverage for eligible juveniles and targeted low-income children.

Under this option, the state will separately meet state plan requirements and will not claim as a demonstration-covered expenditure the statutorily required services provided to individuals under 21 years of age who have been determined eligible for Medicaid or CHIP, nor individuals ages 18 to 26 who have been determined eligible for the mandatory eligibility group for former foster care children.

Section 12: State Contact and Signature

State Medicaid Director Name: Meghan E. Groen

Telephone Number: 517-219-2005

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Telephone Number: 517-284-1190

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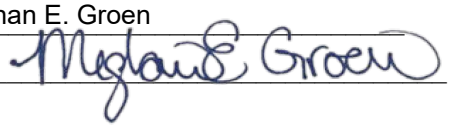
Authorizing Official (typed): Meghan E. Groen

Authorizing Official (signature): 

Date: 12/10/2024

STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

GRETCHEN WHITMER
GOVERNOR

GARLIN GILCHRIST II
LT. GOVERNOR

September 16, 2024

The Honorable Xavier Becerra
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, D.C. 20201

Dear Secretary Becerra:

On behalf of the State of Michigan, I am pleased to submit the State's Section 1115 Reentry Services Demonstration application. This new Demonstration is intended to improve care transitions for eligible Medicaid beneficiaries who are soon-to-be former inmates of public institutions. This demonstration grants the flexibility for Michigan Medicaid to provide coverage for certain pre-release services to eligible individuals who are incarcerated in state prisons, local county jails, and/or juvenile facilities and who are returning to the community.

The submitted Demonstration seeks to strengthen connections across Medicaid, carceral settings, health and social services agencies, community-based providers, and other entities to promote the health and well-being of justice-involved individuals and support their successful reentry into the community. Michigan's request aligns with the Centers for Medicare & Medicaid Services (CMS) State Medicaid Director (SMD) letter #23-003, "Opportunities to Test Transition-Related Strategies to Support Community Reentry and Improve Care Transitions for Individuals Who Are Incarcerated," issued April 17, 2023.

The State looks forward to beginning this work with our federal partners at CMS to promote the health and well-being of Michigan's incarcerated populations and to support their successful reentry into the community.

Sincerely,

Gretchen Whitmer
Governor of Michigan

Section 1115 Reentry Services Demonstration

State of Michigan
Gretchen Whitmer, Governor

Elizabeth Hertel, Director
Michigan Department of Health and Human Services
333 S. Grand Avenue
Lansing, MI 48913

9/16/2024

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I. Program Description

Summary

The Michigan Department of Health and Human Services (MDHHS) is seeking a five-year Section 1115 Demonstration from the Centers for Medicare & Medicaid Services (CMS) to improve care for adults and youth transitioning from correctional facilities into the community. Michigan's request aligns with CMS' State Medicaid Director (SMD) letter # 23-003, "Opportunities to Test Transition-Related Strategies to Support Community Reentry and Improve Care Transitions for Individuals Who Are Incarcerated," issued April 17, 2023.[1] Specifically, Michigan is seeking authority to provide:

- **Medicaid Coverage** for eligible individuals in the State's prisons; local county jails; and juvenile facilities. Eligible individuals include adults and youth exiting these facilities who are eligible for full coverage Medicaid.
- **A Targeted Benefit Package** for eligible individuals to include case management services, medication-assisted treatment for substance use disorder (SUD) and alcohol use disorder (AUD), a not less than 30-day supply of medications upon release, and certain other supportive services.
- **Coverage Period of Up to 90-days** immediately prior to the release of eligible incarcerated individuals from the correctional system.

The Demonstration will be implemented statewide with a phased approach, beginning with state prisons and juvenile facilities in Phase 1 and local county jails in Phase 2.

The proposed Reentry Demonstration seeks to strengthen connections across Medicaid, carceral settings, health and social services agencies, community-based providers, and other entities to promote the health and wellbeing of justice-involved individuals and support their successful reentry into the community. To support implementation, Michigan is seeking capacity building funding to provide start-up funding to correctional facilities and implementing partners for the planning and implementation of reentry services.

Background

As of December 1, 2022, there were over 32,000 prisoners under the supervision of the Michigan Department of Corrections (MDOC).[2] Approximately 7,500 individuals are released from Michigan prisons each year. According to data from the National Institute of Corrections, nearly 281,000 people are sent to local county jails annually.[3] There are significant racial disparities among the justice-involved population in Michigan. Michigan is one of 12 states where more than half (53%) of the prison population is Black, despite constituting 12% of the overall population[4,5], and Black people in Michigan are incarcerated at a rate 6.5 times higher than white people.[6] Justice-involved individuals experience disproportionately higher rates of physical and behavioral health diagnoses, compared to individuals who have never been incarcerated, and once released, are more likely to experience adverse health events.[7,8] Individuals who were recently released from an incarcerated setting may lack the resources to access health care or

other critical social services. People leaving incarceration tend to have "high rates of mental illness, substance use disorders, and physical health problems, as well as the numerous barriers to securing housing, employment, food, and other social supports that affect health outcomes."[9] In the United States, "an estimated 80 percent of people released from prison have chronic medical, psychiatric, or substance use disorders."[10] The lack of access to physical and behavioral health care and social supports may lead to poorer health outcomes and complicate the ability of these individuals to reintegrate back into their communities upon their release from incarceration. This is particularly true for Black Americans who experience more significant health declines compared to white individuals post-incarceration and are more likely to return to medically underserved communities. [11,12]

Coverage of pre-release services will complement the "Targeted Case Management Services for Recently Incarcerated Beneficiaries" Michigan Medicaid policy that became effective in July 2023. Together, these pre and post release services will facilitate the incarcerated individual's continuity of care and increase access to high-quality and coordinated care during reentry and result in improved quality health outcomes, thereby reducing emergency department visits and inpatient hospital admissions for both physical and behavioral health conditions.

Demonstration Goals

The Reentry Demonstration will address the health care needs of Michigan's justice-involved population, advance the State's health equity priorities, and promote the objectives of the Medicaid program by ensuring justice-involved individuals with high physical or behavioral health risks receive needed coverage and health care services pre- and post-release into the community. By bridging relationships between community-based Medicaid providers and justice-involved populations prior to release, Michigan seeks to improve the probability that individuals with a history of substance use, mental illness, and/or chronic disease to receive stable and continuous care. Consistent with the CMS goals as outlined in the April 17, 2023, State Medicaid Director (SMD) letter # 23-003, Michigan's specific goals for the Reentry Demonstration are to:

1. Increase coverage, continuity of coverage, and appropriate service uptake through assessment of eligibility and availability of coverage for a targeted suite of benefits in carceral settings prior to release;

2. Improve access to services prior to release and improve transitions and continuity of care into the community upon release and during reentry;

3. Improve coordination and communication between correctional systems, Medicaid systems, managed care plans, and community-based providers;

4. 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;

5. Improve connections between carceral settings and community services upon release to address physical health, behavioral health, and health-related social needs;

6. Provide intervention for certain behavioral health conditions using stabilizing medications (such as long-acting injectable anti-psychotics and medications for addiction treatment for substance use disorders (SUDs)) with the goal of reducing decompensation, suicide-related deaths, overdoses, and overdose-related deaths in the near-term post-release; and

7. Reduce post-release acute care utilizations such as emergency department visits and inpatient hospitalizations and all-cause deaths among recently incarcerated beneficiaries through robust pre-release identification, stabilization, and management of certain serious physical and behavioral health conditions that may respond to ambulatory care and treatment (e.g., diabetes, heart failure, hypertension, schizophrenia, SUDs) as well as increase receipt of preventive and routine physical and behavioral health care.

Proposed Demonstration

MDHHS is seeking authority to provide a targeted benefit package to eligible individuals in the State's prisons, local county jails, and juvenile facilities for up to 90-days immediately prior to their expected date of release.

Eligible Facilities

Over the five-year Demonstration period, state prisons, local county jails, and juvenile facilities will be considered eligible facilities under the Demonstration.

The Demonstration will be implemented through a phased in approach:

- In Phase 1, all state prisons and juvenile facilities that demonstrate readiness, as determined by a readiness assessment to be developed by the State, will participate.
- In Phase 2, local county jails that demonstrate readiness can opt-in to the Demonstration.

Targeted Benefit Package

Michigan is seeking authority to cover a targeted benefit package for eligible individuals beginning up to 90-days prior to their expected release from an eligible correctional facility. The pre-release services authorized under the Demonstration include services currently covered under the Michigan Medicaid and CHIP State Plans.

Eligible individuals will have access to the following three services required under CMS' SMDL:

- **Case Management** under which providers will establish client relationships, conduct a needs assessment, develop a person-centered care plan, and make appropriate linkages and referrals to post-release care and supports.
- **Medication for Opioid Use Disorder and Alcohol Use Disorders (AUD)**, including medication in combination with counseling/behavioral therapies, as clinically appropriate.
- **At a Minimum, a 30-Day Supply of Prescription Medication** in hand upon release, consistent with Medicaid and CHIP State Plan coverage.

In addition to the above three services, Michigan plans to provide the following additional services to assist in improving care transitions for incarcerated individuals:

- **Physical and Behavioral Health Clinical Consultation Services**, as medically necessary, that are intended to support the creation of a comprehensive, robust, and successful reentry plan, such as clinical screenings and pre-release consultations with community-based providers.
- **Medications and Medication Administration** during the pre-release period, as clinically appropriate, consistent with Medicaid State Plan coverage.
- **Prescription or Written Order for Durable Medical Equipment** in hand upon release, consistent with Medicaid and CHIP State Plan coverage.

Capacity Building Funds

To support implementation of the reentry initiative, Michigan is requesting 80.5 million dollars for capacity building funds. Capacity building funds will be available to provide start-up funding to correctional facilities and implementing partners for the planning and implementation of reentry services. If secured, this funding will support planning and implementation activities, including but not limited to: development of new business and operational practices related to health information technology (IT) systems, hiring and training of staff to assist with implementing the reentry initiative, and outreach, education, and stakeholder convening to advance collaboration.

II. Demonstration Eligibility

The Demonstration is intended to improve care transitions for incarcerated individuals who are soon-to-be former inmates of a public institution and who are otherwise eligible for Medicaid. The Demonstration will provide coverage for certain pre-release services furnished to individuals who are incarcerated in state and/or local county jails, prisons, and juvenile facilities and who are returning to the community. Services will be available to individuals both pre- and post-adjudication.

Eligible Populations

Individuals eligible to participate in the proposed Reentry Demonstration will include adults and youth in a state prison, local county jail, or juvenile facilities who would be eligible for full scope Medicaid or CHIP if not for their incarceration status. Eligible individuals must be:

- Adults or youth;
- Eligible for a Medicaid or CHIP eligibility groups that receives full-scope Medicaid or CHIP State Plan services (See Table 1 below).

No eligibility changes will be affected by this Demonstration. All full coverage eligibility groups are covered under the waiver. Medically needy groups are not covered. The incarcerated population in Michigan includes 7,500 individuals in prisons, 90,000 individuals in local county jails, and 400 juveniles in juvenile facilities on an annual basis; a subset of these individuals will be eligible for pre-release services each year.

Table 1. Eligibility Chart

Eligibility Group Name	Social Security Act and CFR Citations	Income Level
Aged and Disabled	42 CFR 435.120 42 CFR 435.130 - 42 CFR 435.138 42 CFR 435.201	0-100% FPL
Adult group	42 CFR 435.119	0 - 138% FPL
Breast and Cervical Cancer Prevention Treatment	42 CFR 435.213	0 – 250% FPL
Pregnant women	42 CFR 435.116	0 - 195% FPL
Children under 19	42 CFR 435.118 42 CFR 435.229	0 - 212% FPL
Former foster care youth	42 CFR 435.150	NOT APPLICABLE
Foster care children	42 CFR 435.145	NOT APPLICABLE
Parents and other caretaker relatives	42 CFR 435.110	0 - 54% FPL

Medicaid Eligibility and Enrollment Procedures

Michigan will establish pre-release eligibility and enrollment processes to all individuals eligible for Medicaid within the carceral facility upon the individual's incarceration. As is current practice, Michigan will not terminate Medicaid coverage upon entry into a correctional facility and will continue processes to limit Medicaid coverage to inpatient hospital services only for eligible individuals upon entry into a correctional facility and to reestablish full Medicaid benefits as soon as possible upon release. To implement the Reentry Demonstration, Michigan will establish pre-release eligibility and enrollment processes to permit coverage of the targeted benefit package during the 90-days prior to the expected day of release.

III. Demonstration Benefits and Cost Sharing Requirements

Benefits

As described above, Michigan is requesting that the scope of pre-release services should be offered beginning up to 90-days prior to release from a participating correctional setting. Eligible individuals will have access to the following three services required under CMS' SMDL:

- **Case Management** under which providers will establish client relationships, conduct a needs assessment, develop a person-centered care plan, and make appropriate linkages and referrals to post-release care and supports.
- **Medication for Opioid Use Disorder, Alcohol Use Disorders (AUD)** including medication in combination with counseling/behavioral therapies, as clinically appropriate.
- **At a Minimum, a 30-Day Supply of Prescription Medication** in hand upon release, consistent with Medicaid and CHIP State Plan coverage.

In addition to the above three services, Michigan plans to provide the following additional services:

- **Physical and Behavioral Health Clinical Consultation Services** that are intended to support the creation of a comprehensive, robust, and successful reentry plan, such as clinical screenings and pre-release consultations with community-based providers.
- **Medications and Medication Administration** during the pre-release period, as clinically appropriate, consistent with Medicaid State Plan coverage.
- **Prescription or Written Order for Durable Medical Equipment** in hand upon release, consistent with Medicaid and CHIP State Plan coverage.

Accordingly, other benefits and services covered under the Michigan Medicaid and CHIP State Plans, as relevant, that are not included in the above-described pre-release services (e.g., EPSDT benefit for qualifying Medicaid beneficiaries under age 21) are not available to qualifying beneficiaries through this Demonstration.

Cost Sharing

Cost sharing will not be imposed on the services authorized under the demonstration or for demonstration enrollees.

IV. Delivery System

There are no changes to Michigan's delivery system proposed under this Demonstration. Pre-release services will be reimbursed on a fee-for-service basis.

V. Implementation of Demonstration

MDHHS is aware of CMS' Implementation Plan requirements and is currently engaging in planning activities to support reentry service implementation. MDHHS is pursuing this Demonstration with the support of several Michigan-based stakeholders. This support stems from discussions with the Michigan Department of Corrections, and numerous other areas within MDHHS. MDHHS is also engaging external stakeholders in the development of the Section 1115 application through public hearings, webinars, public comment, and other community forums. As planning and implementation begins MDHHS will continue to engage with multiple internal and external stakeholders throughout the waiver negotiation period to ensure a fluid implementation of this Demonstration. MDHHS will engage stakeholders including but not limited to local county jails, and/or the Michigan Sheriffs' Association; juvenile facilities; and community-based providers.

MDHHS will leverage qualified professionals and/or case managers to notify and enroll individuals into the waiver. The qualified professionals or case managers will assess individuals' Medicaid enrollment status at the time of incarceration and, where necessary, support the individual through the application process. During the prerelease period, Medicaid eligible individuals will receive the option to enroll into the waiver benefit. Individuals opting-in to the waiver benefit, will have their Medicaid coverage updated to authorize access to waiver covered benefits, as previously described.

The waiver benefit will be implemented as a fee-for-service benefit. MDHHS will utilize both correctional facility-based providers within the incarceration facilities and Medicaid enrolled community-based providers. The care plan should be shared with all providers involved in the care of beneficiary and includes the Medicaid health plan, primary care provider, and PIHP, as applicable, to the extent permitted under all applicable state and federal laws. The sharing of this information is intended to ensure continuity of care and to avoid duplication of services.

VI. Enrollment, Demonstration Financing and Budget Neutrality

This section describes the projected enrollment, expected financial expenditures, and budget neutrality considerations associated with the proposed Demonstration. Additionally, Michigan is working with actuarial partners and contractor to document the full budget neutrality and projected expenditure process using the CMS-published budget neutrality template. The budget neutrality worksheet will be shared with CMS as part of the application submission. For the purposes of public notice and comment, Michigan has summarized in the tables below the estimated enrollment and projected expenditures for the new Demonstration. The State will include final projections in the Demonstration application request submitted to CMS.

Enrollment

Table 2 provides a summary of the annual estimated number of eligible justice-involved individuals who may receive pre-release services under the Reentry Services Demonstration.

Table 2. Estimated Justice-Involved Individuals Under Reentry Services Demonstration

	Estimated Number of Justice-Involved Individuals Affected by Reentry Services Demonstration				
	DY 1	**DY 2**	**DY 3**	**DY 4**	**DY 5**
	7/1/2025-6/30/2026	7/1/2026-6/30/2027	7/1/2027-6/30/2028	7/1/2028-6/30/2029	7/1/2029-6/30/2030
Justice-Involved Individuals	0	7,900	15,800	21,582	27,363

Expenditures

Michigan is seeking 104,526,472 dollars plus 80.5 million dollars for capacity building funds over the five-year Demonstration period. Table 3 provides a summary of annual projected computable expenditures under the Reentry Services Demonstration. The projected expenditures include estimated costs related to reentry services for eligible justice-involved individuals up to 90-days prior to release from a correctional facility. Capacity building funds will be available to provide start-up funding to correctional facilities and implementing partners for the planning and implementation of reentry services.

Table 3. Projected Computable Expenditures Under Reentry Services Demonstration

	Projected Total Computable Expenditures- With Waiver					
	DY 1	**DY 2**	**DY 3**	**DY 4**	**DY 5**	**Total**
	7/1/2025-6/30/2026	7/1/2026-6/30/2027	7/1/2027-6/30/2028	7/1/2028-6/30/2029	7/1/2029-6/30/2030	
Justice-Involved Reentry Services	$0	$10,522,585	$21,592,345	$31,027,022	$41,384,519	$104,526,472
Justice-Involved Capacity Building Funds	$40,000,000	$18,000,000	$18,000,000	$4,500,000	$0	$80,500,000
Total	$40,000,000	$28,522,585	$39,592,345	$35,527,022	$41,384,519	$185,026,472

Budget Neutrality

The Demonstration is expected to be budget neutral as evaluated by CMS. Budget neutrality will align with projected expenditures for the Reentry Services Demonstration. Michigan will continue to work with CMS to finalize budget neutrality during the demonstration negotiation and approval process.

VII. Requested Waivers and Expenditure Authorities

Under the authority of Section 1115(a) of the Act, the following waivers and expenditure authorities shall enable Michigan to implement the Demonstration. To the extent that CMS advises the State that additional authorities are necessary to implement the programmatic vision and operational details described above, the State is requesting such waiver or expenditure authority, as applicable. Michigan's negotiations with the federal government, as well as State legislative/budget changes, could lead to refinements in these lists as we work with CMS to move this Demonstration forward.

Waiver Authority Requests

Under the authority of Section 1115(a)(1) of the Act, the following waivers shall enable Michigan to implement this Demonstration.

Table 4. Proposed Waiver Authorities

Waiver Authority	Use for Authority
Statewideness: *Section 1902(a)(1)*	To enable the state to provide pre-release services, as described in this application, to qualifying beneficiaries on a geographically limited basis.
Freedom of Choice: *Section 1902(a)(23)(A)*	To enable the state to require qualifying beneficiaries to receive pre-release services, as described in this application, through only certain providers.
Amount, Duration, and Scope of Services: *Section 1902(a)(10)(B)* **Comparability:** *Section 1902(a)(17)*	To enable the state to provide only a limited set of pre-release services, as described in this application, to qualifying beneficiaries that is different than the services available to all other beneficiaries outside of carceral settings in the same eligibility groups authorized under the state plan or the Demonstration.
Coverage of Certain Screening, Diagnostic, and Targeted Case Management Services for Eligible Juveniles in the 30 Days Prior to Release: *Section 1902(a)(84)(D)*	To enable the state not to provide coverage of the screening, diagnostic, and targeted case management services identified in section 1902(a)(84)(D) of the Act for eligible juveniles described in section 1902(nn)(2) of the Act as a state

	plan benefit in the 30 days prior to the release of such eligible juveniles from a public institution, to the extent and for the period that the state instead provides such coverage to such eligible juveniles under the approved expenditure authorities under this demonstration. The state will provide coverage to eligible juveniles described in section 1902(nn)(2) in alignment with section 1902(a)(84)(D) of the Act at a level equal to or greater than would be required under the state plan.

Expenditure Authority Requests

Under the authority of Section 1115(a)(2) of the Act, Michigan is requesting the following expenditure authority to cover justice involved pre-release services during the five-year Demonstration period.

Table 5. Proposed Title XIX Expenditure Authorities

Title XIX Expenditure Authority	Use for Authority
Expenditures for Pre-Release Services	Expenditures for pre-release services, as described in this application, provided to qualifying Medicaid beneficiaries and beneficiaries who would be eligible for the Children's Health Insurance Program (CHIP) if not for their incarceration status, for up to 90 days immediately prior to the expected date of release from a participating state prison, county jail, or youth correctional facility.
Expenditures for Building Capacity of Pre-Release Supports Through an Approved Reinvestment Plan	For costs not otherwise matchable related to a variety of activities necessary to support successful transitions from a carceral facility into the community. The activities will include pre-release readiness assessments, improving the eligibility process, education and training, linking Electronic Health Records, and other activities to be submitted in the Implementation Plan and Reinvestment Plan.

Table 6. Proposed Title XXI Expenditure Authorities

Title XIX Expenditure Authority	Use for Authority

Expenditures for Pre-Release Services	Expenditures for pre-release services, as described in this application, provided to qualifying Demonstration beneficiaries who would be eligible for CHIP if not for their incarceration status, for up to 90 days immediately prior to the expected date of release from a participating state prison, county jail, or youth correctional facility.

The expenditure authority for pre-release services through this initiative comprises a limited exception to the federal claiming prohibition for medical assistance furnished to inmates of a public institution at clause (A) following section 1905(a) of the Act ("inmate exclusion rule").

VIII. Evaluation Approach and Demonstration Hypotheses

Michigan will contract with an independent evaluator to assess the impact of the proposed reentry Demonstration. Michigan is proposing the research questions, hypotheses, and proposed evaluation approaches described below to include as part of its evaluation design.

Table 7. Proposed Evaluation Hypotheses, Approach, and Data Sources

Hypotheses	Evaluation Approach	Data Sources
The program will increase the eligibility and enrollment of individuals not previously covered and thereby increase coverage and service uptake.	Does the proportion of new individuals assessed demonstrate an increased number of eligible beneficiaries receiving coverage of Medicaid services?	• Medicaid eligibility and enrollment
Increasing physical and behavioral health services prior to release improve transitions and continuity of care following reentry into the community.	Is there an increase in the number individuals receiving physical and behavioral health care services in the community following release?	• Medicaid claims data • Managed care data
The program will improve coordination between carceral settings and community services upon release to address physical health, behavioral health, and health-related social needs.	Does the improved coordination between carceral and community providers lead to an increased uptake in services and result in fewer emergency department and inpatient	• Correctional records • Medicaid claims data • Managed care data

	hospital visits for the population?	
The program will provide intervention for certain behavioral health conditions using stabilizing medications and reduce decompensation, suicide, and overdose-related deaths.	Does an increase intervention for certain behavioral health conditions result in greater positive health outcomes and fewer suicide and overdose-related deaths?	• Medicaid claims data • Managed care data • Community Mental Health data and surveys

These hypotheses and plan are subject to change and will be further defined as Michigan works with CMS to develop an evaluation design consistent with the Special Terms and Conditions and CMS policy.

IX. Compliance with Public Notice Process

Public Comment Process

Michigan's compliance with the public notice process is described below and supporting documentation is provided in Appendix A.

On June 28, 2024, MDHHS released the requisite notices for the Demonstration and launched a state public comment period from June 28, 2024, through July 28, 2024. MDHHS presented and discussed the new Section 1115 Reentry Services Demonstration during two public hearings. The first public hearing session was held virtually on July 12, 2024, from 12:00 PM – 2:00 PM ET. The second public hearing session was held in-person on July 19, 2024, from 12:00 PM – 2:00 PM ET. This in-person hearing was held at The Library of Michigan & Historical Center. All information related to public comment and public hearings was made available on the dedicated website for this Demonstration.

MDHHS released a Tribal Public Notice to Tribal Chairpersons, Designees of Indian Health Programs, and Urban Indian Organizations on June 28, 2024. Tribal Comment period ended August 28, 2024.

Additionally, on June 28, 2024, MDHHS provided notice in various Michigan newspaper publications. MDHHS also used an electronic mailing list to provide notice of the proposed 1115 Demonstration to the public. Specifically, MDHHS provided notification through the MDHHS Government Subscriptions ListServ, which is Michigan's master ListServ of providers.

X. Demonstration Administration

Name and Title: Jacqueline Coleman
Telephone Number: (517) 284-1190
Email Address: ColemanJ@michigan.gov

Appendix A

Public Notice

Full Public Notice

A copy of the full public notice is available here.
The full public notices has been posed on the Demonstration website here.

Abbreviated Public Notice

Abbreviated Waiver Public Notice

Michigan Department of Health and Human Services

Behavioral and Physical Health and Aging Services Administration

Section 1115 Reentry Services Demonstration New Request

In accordance with 42 CFR §431.408, the Michigan Department of Health and Human Services (MDHHS) is providing public notice of its intent to submit an application to the Centers for Medicare and Medicaid Services (CMS) for a new Section 1115 Reentry Services Demonstration. MDHHS is seeking approval from CMS for a five-year Section 1115 Reentry Services Demonstration for Medicaid coverage of certain pre-release services for adults and youth transitioning from correctional facilities into the community. The complete application and attachments are available at www.michigan.gov/mdhhs >> Assistance Programs >> Medicaid >> Program Resources >> Medicaid Waivers >> Section 1115 Reentry Services Demonstration. Additionally, paper copies are available at the Bureau of Medicaid Policy, Operations and Actuarial Services located in the Capitol Commons Center, 400 S. Pine St., Lansing, MI 48913.

Public Hearings

MDHHS will host two hearings at which the public may provide comments.

Public Hearing #1:

Date and Time: Friday, July 12, 2024; 12:00 – 2:00 p.m.

Venue: Virtual Session; link to online access available upon registration.

Hearing Link: https://somdhhs.adobeconnect.com/ebwq7h869ehf/event/registration.html

Public Hearing #2:

Date and Time: Friday, July 19, 2024; 12:00 – 2:00 p.m.

Venue: Library of Michigan & Historical Center, 1st Floor Forum, 702 W. Kalamazoo St., Lansing, MI 48933

Hearing Link: This event is held in-person at the above location.

Written Public Comments

MDHHS will also accept written public comments until 5:00 p.m. EST on July 28, 2024. Written comments may be sent via email to: mdhhs-engagemedicaid@michigan.gov . Please include "Section 1115 Reentry Services Demonstration" in the subject line. Additionally, comments may be mailed to MDHHS/Behavioral and Physical Health and Aging Services Administration, Program Policy Division, PO Box 30479, Lansing, MI 48909-7979.

Link to Demonstration Website

1115 Reentry Services Demonstration (michigan.gov)

Certification of Two Public Hearings

Public Hearing #1:

Date and Time: Friday, July 12, 2024; 12:00 – 2:00 p.m.

Venue: Virtual Session; link to online access available upon registration.

Hearing Link:
https://somdhhs.adobeconnect.com/ebwq7h869ehf/event/registration.html

Recording of Hearing: MDHHS Updates- 1115 Demonstration Waiver (adobeconnect.com)

Public Hearing #2:

Date and Time: Friday, July 19, 2024; 12:00 – 2:00 p.m.

Venue: Library of Michigan & Historical Center, 1st Floor Forum, 702 W. Kalamazoo St., Lansing, MI 48933

Hearing Link: This event is held in-person at the above location.

Newspaper Notices

ANNOUNCEMENTS

Public Notices

Abbreviated Waiver Public Notice

Michigan Department of Health and Human Services
Behavioral and Physical Health and Aging Services Administration

Section 1115 Reentry Services Demonstration New Request

In accordance with 42 CFR 8431.408, the Michigan Department of Health and Human Services (MDHHS) is providing public notice of its intent to submit an application to the Centers for Medicare and Medicaid Services (CMS) for a new Section 1115 Reentry Services Demonstration. MDHHS is seeking approval from CMS for a five-year Section 1115 Reentry Services Demonstration for Medicaid coverage of certain pre-release services for adults and youth transitioning from correctional facilities into the community. The complete application and attachments are available at www.michigan.gov/mdhhs >> Assistance Programs >> Medicaid >> Program Resources >> Medicaid Waivers >> Section 1115 Reentry Services Demonstration. Additionally, paper copies are available at the Bureau of Medicaid Policy, Operations and Actuarial Services located in the Capital Commons Center, 400 S. Pine St., Lansing, MI 48913.

Public Hearings
MDHHS will host two hearings at which the public may provide comments.

Public Hearing #1:
Date and Time: Friday, July 12, 2024; 12:00 – 2:00 p.m.
Venue: Virtual Session; link to online access available upon registration.
Hearing Link: https://usmdhhs.adobeconnect.com/ebwq7h86lehf/event/registration.html

Public Hearing #2:
Date and Time: Friday, July 19, 2024; 12:00 – 2:00 p.m.
Venue: Library of Michigan & Historical Center, 1st Floor Forum, 702 W. Kalamazoo St., Lansing, MI 48933

Hearing Link: This event is held in-person at the above location.

Written Public Comments
MDHHS will also accept written public comments until 5:00 p.m. EST on July 28, 2024. Written comments may be sent via email to: mdhhs-engagemedicaid@michigan.gov. Please include "Section 1115 Reentry Services Demonstration" in the subject line. Additionally, comments may be mailed to MDHHS/Behavioral and Physical Health and Aging Services Administration, Program Policy Division, PO Box 30479, Lansing, MI 48909-7979.

NOTICE OF PUBLIC HEARING: Hearings will be held before the Flint Planning Commission at a meeting on July 9, 2024, at 5:30 p.m. or as soon thereafter as the agenda will permit to consider applications concerning enforcement of Chapter 50 of the Code of the City of Flint.
Location : Dome Auditorium, City Hall - South Building, 1101 S. Saginaw St., Flint, MI 48502
PC 24-08 : Applicant Todd Stamper / 5125 N Dort Hwy, LLC, DBA Priority Waste, request approval of a Planned Sign Program regarding the proposed Solid Waste Transfer Station & Materials Recovery Facility located at 1420 E. Pierson Rd (PID #47-32-101-033), 5125 N. Dort Highway (PID #47-32-101-032), and 47-31-226-005 Thetford Rd.
PC 24-12 : Applicant Christopher Ascencio / Souls of Aztecas, Inc requests approval of a Special Land Use application to operate a Charitable Organization / Social Service Club regarding the property located at 2902 Richfield Rd (PID #47-33-352-001).
PC 24-13 : Applicant Samir Shavgo / Star Budz Flint, LLC requests approval of a Complete Transfer of Ownership & Marihuana Facilities License regarding the "Group E", Marihuana Retail Facility, "The Sweet Leaf", located at 400 S. Dort Highway, Flint, MI 48503 (PID #41-08-434-033).
PC 24-14 : Applicant Mark Savaya / MS Industries, LLC requests approval of a Complete Transfer of Ownership & Marihuana Facilities License regarding the "Group E", Marihuana Retail Facility, "Leaf & Bud", located at 1227 James P. Cole Blvd, Flint, MI 48503 (PID #41-07-134-030).
PC 24-16 : The City of Flint is seeking a positive recommendation from the City of Flint Planning Commission to the City of Flint City Council for approval to partially vacate Roberts St, between E Stewart Ave and the North lot lines of Lot 234 (4401 Roberts St) and Lot 235 (4402 Robert St) of the Maplewood Plat.
The public may send public comments by contacting the Planning and Zoning office at 810-766-7426 and/or by emailing to PCpubliccomment@cityofflint.com, no later than 1 hour prior to the meeting start time of 5:30 p.m.
Persons with disabilities may participate in the meeting by the aforementioned means. If assistance is needed, please email a request for accommodations to PCpubliccomment@cityofflint.com with subject line Planning Commission Request for Accommodation or by contacting the Planning and Zoning office at 810-766-7426 to request accommodations, including but not limited to interpreters. Requests must be made at least 4 hours in advance of the meeting, those seeking accommodation are encouraged to notify the Zoning office as soon as possible to ensure services can be arranged.
The Planning Commission encourages participation in this matter. Please refer to the case number, whether you write or call for information.

MERCHANDISE

Crafts & Bazaars

FOR SALE: FLOOR LOOM & SPINNING WHEEL A 48" collapsible LILLSTINA floor loom, bench, shuttles, & warping board. An ASHFORD spinning wheel, spools & wide variety of roving. REMEMBER, you have to be warped to weave! 989-941-1960

Miscellaneous Items

ALL MOTORCYCLES WANTED "BEFORE 1985" ALL MAKES & MODELS. AMERICAN, BRITISH, JAPANESE, EUROPEAN. ANY CONDITION. RUNNING OR NOT! $CASH PAIDS FREE APPRAISALS! CALL: (315)-569-8094 OR EMAIL: Cyclerestoration@aol.com (315)-569-8094

PETS & FARMS

Cavachon Puppies- Cute, Playful & Non-Shedding. First Shots & Dewormed. $300-$500 231-825-8212

Cockapoo Puppies- Shots, Dewormed & Vet Checked, Good Colors. 989-426-3866 or 989-965-4270 Text Karen

French Bulldog Beautiful looking Black Male. 19 months old. Asking $800. Also a Fawn Male that is 7 months old. Asking $1250. AKC registered and 1 year health guarantee. 231-788-3762

Purebred German Shepherd Puppies Solid Black. Born April 1st, Both parents on site. 1st shots and De-wormed. Located near Clare, MI. Willing to meet. $400 (989) 802-3460

YORKIE PUPPIES - M-$600, F- $650., Cute & adorable! Parents on site great hunters & Friendly. 989-745-3243. positive comments on therapy dog.

Classified

ANNOUNCEMENTS Bands/Music, Lost & Found, Personals
MERCHANDISE Antiques, Appliances, Garage Sales
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BARGAIN CORNER Business Bargains, Items $1,000 or Less, Wanted to Buy

ANNOUNCEMENTS

Public Notices

PUBLIC NOTICE
Date: June 28, 2024
Permit No.: MIG490000
Permit Category: NPDES General Permit – Mining Wastewater

The Department of Environment, Great Lakes, and Energy (EGLE), Water Resources Division (WRD), proposes to reissue a general permit for discharges of process wastewater and mine dewatering water from facilities involved in sand, gravel, limestone, and clay mining operations, and other wastewaters of similar nature. The applicability of this permit shall be limited to wastewater discharges that are of this type and that meet the criteria established in this permit. This permit is expected to apply to multiple discharges of this type throughout the state of Michigan. Discharges that may cause or contribute to a violation of water quality standards are not authorized by this permit.

In order to constitute a valid authorization to discharge at a specific facility, this permit must be complemented by a Certificate of Coverage (COC) issued by EGLE.

The draft permit includes the following modifications to the previously issued permit: Permit language has been revised to incorporate updated references and terminology. The following new conditions have been added to the draft permit: Total Maximum Daily Load (TMDL), Additional Monitoring, and Continuous Monitoring. Monitoring requirements for chloride and sulfate have been added for all discharges, and the monitoring frequency for total dissolved solids was reduced. The monitoring location for total hardness is now specified. Loading rate reporting requirements for total suspended solids have been removed.

Copies of the Public Notice, Fact Sheet, Basis for Decision Memo, and draft permit may be obtained via the Internet at https://MiEnviro.Michigan.gov/ncore/, (select 'Public Notice Search,' enter the permit number into the search field, and then click 'Search'), or at a WRD District Office, locations and contact information for which is available at https://www.Michigan.gov/EGLE/-/Media/Project/Websites/EGLE/Documents/Programs/WRD/About-Us/District-Offices.pdf.

Persons wishing to submit comments on the draft permit should do so through MiEnviro Portal. Go to https://MiEnviro.Michigan.gov/ncore/, select 'Public Notice Search,' search for this public notice by entering the permit number into the search field, click 'Search,' click 'View,' click 'Add Comment,' enter information into the fields, and then click 'Submit.' Comments or objections to the draft permit received by **July 28, 2024** will be considered in the final decision to issue the permit, as will comments made at a public hearing should one be requested and held by the Department on the draft permit.

Any person may request the Department to hold a public hearing on the draft permit. The request should include specific reasons for the request, indicating which portions of the draft permit constitute the need for a hearing. If submitted comments indicate significant public interest in the draft permit or if useful information may be produced, the Department may, at its discretion, hold a public hearing on the draft permit. If a public hearing is scheduled, public notice of the hearing will be provided at least 30 days in advance. Inquiries should be directed to Kathryn Gallagher, Permits Section, WRD, EGLE, P.O. Box 30458, Lansing, Michigan 48909-7958; telephone: 517-667-8321; or email: GallagherK1@Michigan.gov.

Abbreviated Waiver Public Notice

Michigan Department of Health and Human Services
Behavioral and Physical Health and Aging Services Administration

Section 1115 Reentry Services Demonstration New Request

In accordance with 42 CFR 6431.408, the Michigan Department of Health and Human Services (MDHHS) is providing public notice of its intent to submit an application to the Centers for Medicare and Medicaid Services (CMS) for a new Section 1115 Reentry Services Demonstration. MDHHS is seeking approval from CMS for a five-year Section 1115 Reentry Services Demonstration for Medicaid coverage of certain pre-release services for adults and youth transitioning from correctional facilities into the community. The complete application and attachments are available at www.michigan.gov/mdhhs >> Assistance Programs >> Medicaid >> Program Resources >> Medicaid Waivers >> Section 1115 Reentry Services Demonstration. Additionally, paper copies are available at the Bureau of Medicaid Policy, Operations and Actuarial Services located in the Capitol Commons Center, 400 S. Pine St., Lansing, MI 48913.

Public Hearings
MDHHS will host two hearings at which the public may provide comments.

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Hearing Link: https://somdhhs.adobeconnect.com/ebwq7h869ehf/event/registration.html

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Hearing Link: This event is held in-person at the above location.

Written Public Comments
MDHHS will also accept written public comments until 5:00 p.m. EST on July 28, 2024. Written comments may be sent via email to: mdhhs-engagemedicaid@michigan.gov . Please include "Section 1115 Reentry Services Demonstration" in the subject line. Additionally, comments may be mailed to MDHHS/Behavioral and Physical Health and Aging Services Administration, Program Policy Division, PO Box 30479, Lansing, MI 48909-7979.

MERCHANDISE

Miscellaneous Items

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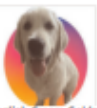
PETS & FARMS

AKC Boxer Puppies- 3 Sealed Brindle & 1 Brindle. 2 Males, 2 Females. Call Connie 269-876-0557

Cavachon Puppies- Cute, Playful & Non-Shedding. First Shots & Dewormed. $300-$500 231-825-8212

Cockapoo Puppies- Shots, Dewormed & Vet Checked. Good Colors. 989-426-3866 or 989-965-4278 Text Karen



English Cream Golden Retrievers We had two litters of pure breed English Cream Golden Retriever puppies and are down to four girls who really need loving families of their own. We raise the puppies in our family home so they are familiar with household items like the vacuum and they get lots of love from our kids. The puppies are now 20 weeks old (born January 31) and potty trained! They have their distemper, heartworm pill, and parvo shot, but will need to continue preventative care with your vet. The puppies are very well socialized and have the sweetest disposition. We have the mom and a neighbor has the stud. We have lots of referrals. Pet Pricing is now reduced. 1300.00 630-550-8332

French Bulldog Beautiful looking Black Male. 19 months old, Asking $800. Also a Fawn Male that is 7 months old. Asking $1250. AKC registered and 1 year health guarantee. 231-788-3762

Labradoodle Puppies Mini F1B Both parents onsite and under 25 lbs. Taking deposits - ready July 23 Raised inside my home www.labradoodlesite.com Vet checked twice. Calm & healthy $750 616-446-0780

Pembroke Welsh Corgi puppies Excellent pets, no risk for genetic diseases, UTD on shots, red and white, ready to go, AKC papers, call to reserve yours! $500 231-689-5087

Purebred German Shepherd Puppies Solid Black. Born April 1st. Both parents on site. 1st shots and de-wormed. Located near Clare, MI. Willing to meet. $400 (989) 802-2460

Good Things To Eat

Big dark sweet & light & dark sour cherries, u-pick/we pick. Light tarts pitted FREE & ready approx. June 24. Scrumptious baked goods, preserves, & more, all locally grown & made. Call Rasch Cherry & Apple Market for info at 616-899-2931. 17647 40th Ave Conklin, 49403. Check out our FB page at Rasch Cherry & Apple Market for updates and our website, www.raschcherryapplemarket.com Sorry, NO animals allowed.

Big dark sweet & light & dark sour cherries, u-pick/we pick. Light tarts pitted FREE & ready approx. June 24. Scrumptious baked goods, preserves, & more, all locally grown & made. Call Rasch Cherry & Apple Market for info at 616-899-2931. 17647 40th Ave. Conklin 49403. Check out our FB page at Rasch Cherry & Apple Market for updates and our website, www.raschcherryapplemarket.com Sorry, NO animals allowed.

TRANSPORTATION

Auto Transport & Shares

2020 K Z Connect SE 271 RLSE. Like new with many extras. super slide out , electric awning, 31ft long, ready to go! Must sell because of health. $23, 500. OBO. 269-373-2912

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ANNOUNCEMENTS MERCHANDISE FINANCIAL PETS & FARMS RECREATION
TRANSPORTATION EMPLOYMENT REAL ESTATE BARGAIN CORNER

ANNOUNCEMENTS

Public Notices

Abbreviated Waiver Public Notice

Michigan Department of Health and Human Services
Behavioral and Physical Health and Aging Services Administration

Section 1115 Reentry Services Demonstration New Request

In accordance with 42 CFR §431.408, the Michigan Department of Health and Human Services (MDHHS) is providing public notice of its intent to submit an application to the Centers for Medicare and Medicaid Services (CMS) for a new Section 1115 Reentry Services Demonstration. MDHHS is seeking approval from CMS for a five-year Section 1115 Reentry Services Demonstration for Medicaid coverage of certain pre-release services for adults and youth transitioning from correctional facilities into the community. The complete application and attachments are available at www.michigan.gov/mdhhs >> Assistance Programs >> Medicaid >> Program Resources >> Medicaid Waivers >> Section 1115 Reentry Services Demonstration. Additionally, paper copies are available at the Bureau of Medicaid Policy, Operations and Actuarial Services located in the Capitol Commons Center, 400 S. Pine St., Lansing, MI 48913.

Public Hearings
MDHHS will host two hearings at which the public may provide comments.

Public Hearing #1:
Date and Time: Friday, July 12, 2024; 12:00 – 2:00 p.m.
Venue: Virtual Session; link to online access available upon registration.
Hearing Link: https://somdhhs.adobeconnect.com/obwq7h86hehf/event/registration.html

Public Hearing #2:
Date and Time: Friday, July 19, 2024; 12:00 – 2:00 p.m.
Venue: Library of Michigan & Historical Center, 1st Floor Forum, 702 W. Kalamazoo St., Lansing, MI 48933
Hearing Link: This event is held in-person at the above location.

Written Public Comments
MDHHS will also accept written public comments until 5:00 p.m. EST on July 28, 2024. Written comments may be sent via email to: mdhhs-engagemedicaid@michigan.gov . Please include "Section 1115 Reentry Services Demonstration" in the subject line. Additionally, comments may be mailed to MDHHS/Behavioral and Physical Health and Aging Services Administration, Program Policy Division, PO Box 30479, Lansing, MI 48909-7979.

MERCHANDISE

Miscellaneous Items

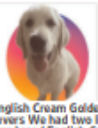
ALL MOTORCYCLES WANTED *BEFORE 1985* ALL MAKES & MODELS. AMERICAN, BRITISH, JAPANESE, EUROPEAN. ANY CONDITION. RUNNING OR NOT! $CASH PAIDS FREE APPRAISALS! CALL: (315)-569-8094 OR EMAIL: Cyclerestoration@aol.com (315)-569-8094

PETS & FARMS

AKC Boxer Puppies- 3 Sealed Brindle & 1 Brindle. 2 Males, 2 Females. Call Connie 269-876-0557

Cavachon Puppies- Cute, Playful & Non-Shedding. First Shots & Dewormed. $300-$500 231-825-8212

Cockapoo Puppies- Shots, Dewormed & Vet Checked, Good Colors. 989-426-3866 or 989-965-4278 Text Karen



English Cream Golden Retrievers We had two litters of pure breed English Cream Golden Retriever puppies and are down to four girls who really need loving families of their own. We raise the puppies in our family home so they are familiar with household items like the vacuum and they get lots of love from our kids. The puppies are now 20 weeks old (born January 31) and potty trained! They have their distemper, heartworm pill, and parvo shot, but will need to continue preventative care with your vet. The puppies are very well socialized and have the sweetest disposition. We have the mom and a neighbor has the stud. We have lots of referrals. Pet Pricing is now reduced. 1300.00 630-550-8332

French Bulldog Beautiful looking Black Male. 19 months old. Asking $800. Also a Fawn Male that is 7 months old. Asking $1250. AKC registered and 1 year health guarantee. 231-788-3762

Labradoodle Puppies Mini F1B Both parents onsite and under 25 lbs. Taking deposits - ready July 23 Raised inside my home www.labradoodlesite.com Vet checked twice. Calm & healthy $750 616-446-0780

Pembroke Welsh Corgi puppies Excellent pets, no risk for genetic diseases, UTD on shots, red and white, ready to go, AKC papers, call to reserve yours! $500 231-689-5087

Purebred German Shepherd Puppies Solid Black. Born April 1st. Both parents on site. 1st shots and de-wormed. Located near Clare, MI. Willing to meet. $400 (989) 802-2460

Good Things To Eat

Big dark sweet & light & dark sour cherries, u-pick/we pick. Light tarts pitted FREE & ready approx. June 24. Scrumptious baked goods, preserves, & more, all locally grown & made. Call Rasch Cherry & Apple Market for info at 616-899-2931. 17647 40th Ave. Conklin 49403. Check out our FB page at Rasch Cherry & Apple Market for updates and our website, www.raschcherryapplemarket.com Sorry, NO animals allowed.

Big dark sweet & light & dark sour cherries, u-pick/we pick. Light tarts pitted FREE & ready approx. June 24. Scrumptious baked goods, preserves, & more, all locally grown & made. Call Rasch Cherry & Apple Market for info at 616-899-2931. 17647 40th Ave. Conklin 49403. Check out our FB page at Rasch Cherry & Apple Market for updates and our website, www.raschcherryapplemarket.com Sorry, NO animals allowed.

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2020 K Z Connect SE 271 RLSE. Like new with many extras. super slide out , electric awning, 31ft long, ready to go! Must sell because of health. $23, 500. OBO. 269-373-2912

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TRANSPORTATION EMPLOYMENT REAL ESTATE BARGAIN CORNER

ANNOUNCEMENTS

Public Notices

Abbreviated Waiver Public Notice

Michigan Department of Health and Human Services
Behavioral and Physical Health and Aging Services Administration

Section 1115 Reentry Services Demonstration New Request

In accordance with 42 CFR §431.408, the Michigan Department of Health and Human Services (MDHHS) is providing public notice of its intent to submit an application to the Centers for Medicare and Medicaid Services (CMS) for a new Section 1115 Reentry Services Demonstration. MDHHS is seeking approval from CMS for a five-year Section 1115 Reentry Services Demonstration for Medicaid coverage of certain pre-release services for adults and youth transitioning from correctional facilities into the community. The complete application and attachments are available at www.michigan.gov/mdhhs >> Assistance Programs >> Medicaid >> Program Resources >> Medicaid Waivers >> Section 1115 Reentry Services Demonstration. Additionally, paper copies

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Public Notices

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Hearing Link: https://semdhhs.adobeconnect.com/reentrywaiverpublichearing1registration.html

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Date and Time: Friday, July 19, 2024; 12:00 – 2:00 p.m.
Venue: Library of Michigan & Historical Center, 1st Floor Forum, 702 W. Kalamazoo St., Lansing, MI 48933
Hearing Link: This event is held in-person at the above location.

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ANNOUNCEMENTS

Public Notices

subject line. Additionally, comments may be mailed to MDHHS/Behavioral and Physical Health and Aging Services Administration, Program Policy Division, PO Box 30479, Lansing, MI 48909-7979.

MERCHANDISE

Crafts & Bazaars

FOR SALE: FLOOR LOOM & SPINNING WHEEL A 48" collapsible LILLSTINA floor loom, bench, shuttles, & warping board. An ASHFORD spinning wheel, spools & wide variety of roving. REMEMBER, you have to be warped to weave! 989-941-1960

Miscellaneous Items

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Purebred German Shepherd Puppies Solid Black. Born April 1st. Both parents on site. 1st shots and de-wormed. Located near Clare, MI. Willing to meet. $400 (989) 802-2460

YORKIE PUPPIES - M-$600, F- $650., Cute & adorable! Parents on site great hunters & Friendly. 989-745-3243. positive comments on therapy dog.

ListServ Electronic Message

From: Michigan Department of Health and Human Services <MDHHS@govsubscriptions.michigan.gov>
Sent: Friday, June 28, 2024 10:42 AM
To: Wise, Tyler (DHHS)
Subject: Section 1115 Reentry Services Demonstration New Request

Dear Provider:

The Michigan Department of Health and Human Services (MDHHS) is providing public notice of its intent to submit an application to the Centers for Medicare and Medicaid Services (CMS) under Section 1115 of the Social Security Act. MDHHS is seeking approval from CMS for a five-year Section 1115 Reentry Services Demonstration for Medicaid coverage of certain pre-release services for adults and youth transitioning from correctional facilities into the community. The anticipated effective date for the new Section 1115 Reentry Services Demonstration is January 1, 2027. Attached is the formal Public Notice, which is available at Public Notices (michigan.gov). The complete application and attachments are available at www.michigan.gov/mdhhs >> Assistance Programs >> Medicaid >> Program Resources >> Medicaid Waivers >> Section 1115 Reentry Services Demonstration. Additionally, paper copies are available at the Bureau of Medicaid Policy, Operations and Actuarial Services located in the Capitol Commons Center, 400 S. Pine St., Lansing, MI 48913.

MDHHS will also accept written public comments until 5:00 p.m. EST on July 28, 2024. Written comments may be sent via email to: mdhhs-engagemedicaid@michigan.gov. Please include "Section 1115 Reentry Services Demonstration" in the subject line. Additionally, comments may be mailed to MDHHS/Behavioral and Physical Health and Aging Services Administration, Program Policy Division, PO Box 30479, Lansing, MI 48909-7979.

- Public Notice - New Section 1115 Reentry Services Demonstration - 6-28-24.pdf

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MDHHS Become a foster parent through Michigan Department of Health & Human Services foster care program.

Tribal Public Notice

A copy of the Tribal public notice is available here.

THD/BHCN JULY 2024 MEETING

Part II MDHHS Updates & Issues

AGENDA

Thursday, August 22, 3:30 – 5:00 PM

MDHHS Consultation Update		Lorna Elliott-Egan
Proposed Medicaid 1115 Waiver- Inmate Reentry Program (Jail & Prison)		Meghan Vanderstelt & Tyler Wise
Medicaid Policy Updates		Natasha Radke
Medicaid Health Plan Update		Brad Barron
TGS&P Benefits Troubleshooting Assistance		Lorna Elliott-Egan
New Tribal Gov Services & Policy Website	Feedback requested	Lorna Elliott-Egan & Mary Calcatera
TGS&P MMIP Work and possible impact on BH service needs.		Lorna Elliott-Egan

Tribal Meeting Presentation Method

Tribal Meeting Power Point Presentation:

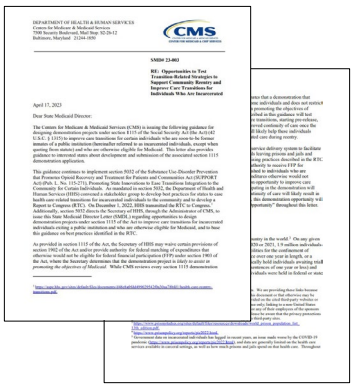
Michigan Department of Health & Human Services

Section 1115 Reentry Services Demonstration
Tribal Consultation
August 2024

Michigan Department of Health & Human Services

CMS Guidance on 1115 Demonstration Opportunity

On April 17, 2023, CMS released a State Medicaid Director Letter (SMDL) that describes a section 1115 demonstration opportunity to support community reentry and improve care transitions for justice-involved populations.



DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop: S2-26-12
Baltimore, Maryland 21244-1850

CMS

SMDL# 23-003

RE: Opportunities to Test Transition-Related Strategies to Support Community Reentry and Improve Care Transitions for Individuals Who Are Incarcerated

April 17, 2023

Dear State Medicaid Director:

The Centers for Medicare & Medicaid Services (CMS) is issuing the following guidance for designing demonstration projects under section 1115 of the Social Security Act (the Act) (42 U.S.C. § 1315) to improve care transitions for certain individuals who are soon-to-be former inmates of a public institution (hereinafter referred to as incarcerated individuals, except when quoting from statute) and who are otherwise eligible for Medicaid. This letter also provides guidance to interested states about development and submission of the associated section 1115 demonstration application.

This guidance continues to implement section 5032 of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act), P.L. 115-271, which directed the U.S. Department of Health and Human Services (HHS) to issue Guidance to Certain Individuals. As mandated in section 5032, the Department of Health and Human Services (HHS) convened a stakeholder group to develop best practices for states to ease health care-related transitions for incarcerated individuals to the community and to develop a Report to Congress (RTC). On December 1, 2022, HHS transmitted the RTC to Congress.[1] Consistent with section 5032 of the SUPPORT Act and the RTC, the purpose of CMS, to issue this State Medicaid Director Letter (SMDL) regarding opportunities to design 1115 demonstration projects under section 1115 of the Act to improve care transitions for incarcerated individuals exiting a public institution and who are otherwise eligible for Medicaid, and to base this guidance on best practices identified in the RTC.

As provided in section 1115 of the Act, the Secretary of HHS may waive certain provisions of section 1902 of the Act and provide authority for federal matching of expenditures that otherwise would not be eligible for federal financial participation (FFP) under section 1903 of the Act, where the Secretary determines that the demonstration project is likely to assist in promoting the objectives of Medicaid. While CMS reviews every section 1115 demonstration

The SMDL implements Section 5032 of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act, which directed the U.S. Department of Health and Human Services (HHS) **to issue guidance on how states can design section 1115 reentry demonstrations to provide services to justice-involved individuals prior to release** to support their reentry into the community.

Source: Center for Medicare and Medicaid Services, State Medicaid Director Letter #23-003, "Opportunitiesto Test Transition-Related Strategies to Support Community Reentry and Improve Care Transitions for Individuals Who are Incarcerated, April 17, 2023, available at https://www.medicaid.gov/federal-policy-guidance/downloads/smd23003.pdf.

Michigan Department of Health & Human Services

Goals of this Demonstration

By working to ensure justice-involved populations have a ready network of health care services and supports upon discharge, under the Reentry Services Demonstration, Michigan expects to achieve the following goals:

- Improve access to services prior to release;
- Improve transitions and continuity of care into the community upon release and during reentry;
- Improve coordination and communication between correctional systems,
- Medicaid systems, managed care plans, and community-based providers;
- Increase investments in health care and related services to improve the quality of care for beneficiaries in carceral settings and in the community;
- Improve connections between carceral settings and community services upon release to address physical health, behavioral health, and health-related social needs; and
- Reduce post-release acute care utilizations such as emergency department visits and inpatient hospitalizations among recently incarcerated beneficiaries.

Eligible Populations

CMS guidance gives states flexibility to propose a broadly defined Demonstration population that includes otherwise eligible, soon-to-be formerly incarcerated individuals.

Individuals eligible to participate in the proposed Reentry Demonstration will include adults and youth in a state prison, local county jail, or juvenile facilities who would be eligible for full scope Medicaid or CHIP if not for their incarceration status. Eligible individuals must be:

- Adults or youth;
- Eligible for a Medicaid or CHIP eligibility groups that receives full-scope Medicaid or CHIP State Plan services

No eligibility changes will be affected by this Demonstration. All full coverage eligibility groups are covered under the waiver. Medically needy groups are not covered. It is anticipated that Michigan may provide pre-release services for 7,500 individuals in prisons, 90,000 individuals in local county jails, and 400 juveniles in juvenile facilities annually through this Demonstration.

Eligible Facilities

CMS guidance gives states flexibility to provide coverage of pre -release services in state or local correctional facilities (e.g., state prisons, jails, and/or youth correctional facilities).

Over the five -year Demonstration period, state prisons, local county jails, and juvenile facilities will be considered eligible facilities under the Demonstration.

The Demonstration will be implemented through a phased in approach:

- In Phase 1, all state prisons and juvenile facilities that demonstrate readiness, as determined by a readiness assessment to be developed by the State, will participate.
- In Phase 2, local county jails that demonstrate readiness can opt -in to the Demonstration.

Pre-Release Timeframe

CMS guidance gives states the flexibility to provide coverage of pre -release services for up to 90 days before the incarcerated individual's expected date of release.

90-Days Pre-Release

MDHHS is seeking authority to provide a targeted benefit package to eligible individuals in the State's prisons, local county jails, and juvenile facilities for up to 90 -days immediately prior to their expected date of release.

Targeted Benefit Package- Required Services

CMS requires states to provide a minimum benefit package of three covered services under the demonstration. In addition, states have flexibility to cover other important physical and behavioral health services that support reentry into the community.

Eligible individuals will have access to the following three services required under CMS' SMDL:

- **Case Management** under which providers, in collaboration with Community Health Workers, will establish client relationships, conduct a needs assessment, develop a person-centered care plan, and make appropriate linkages and referrals to post-release care and supports.
- **Medication for Opioid Use Disorder and Alcohol Use Disorders (AUD)**, including medication in combination with counseling/behavioral therapies, as clinically appropriate.
- **At a Minimum, a 30-Day Supply of Prescription Medication** in hand upon release, consistent with Medicaid and CHIP State Plan coverage.

Targeted Benefit Package- Michigan Specific Services

CMS has granted states theflexibility to cover other important physical and behavioral health services that support reentry into the community.

In addition to the required three services, Michigan plans to provide the following additional services to assist in improving care transitions for incarcerated individuals:

- **Physical and Behavioral Health Clinical Consultation Services**, as medically necessary, that are intended to support the creation of a comprehensive, robust, and successful reentry plan, such as clinical screenings and pre-release consultations with community-based providers.
- **Medications and Medication Administration** during the pre-release period, as clinically appropriate, consistent with Medicaid State Plan coverage.
- **Prescription or Written Order for Durable Medical Equipment** in hand upon release, consistent with Medicaid and CHIP State Plan coverage.

Enrollment

The table below provides a summary of the annual estimated number of eligible justice -involved individuals who may receive pre-release services under the Reentry Services Demonstration.

	Estimated Number of Justice-Involved Individuals Affected by Reentry Services Demonstration				
	DY 1	DY 2	DY 3	DY 4	DY 5
	1/1/27 – 12/31/27	1/1/28 – 12/31/28	1/1/29 – 12/31/29	1/1/30 – 12/31/30	1/1/31 – 12/31/31
Justice-Involved Individuals	7,900	7,900	19,463	19,463	19,463

Expenditures

Michigan is seeking $ 56.15 million dollars (plus a yet to be determined amount of capacity building funds) over the five -year Demonstration period. Table 3 provides a summary of annual projected computable expenditures under the Reentry Services Demonstration. The projected expenditures include estimated costs related to reentry services for eligible justice -involved individuals up to 90 -days prior to release from a correctional facility. Capacity building funds, if secured, will be available to provide start -up funding to correctional facilities and implementing partners for the planning and implementation of reentry services.

Expenditures

The table below provides a summary of annual projected computable expenditures under the Reentry Services Demonstration.

Projected Total Computable Expenditures					
	DY 1	DY 2	DY 3	DY 4	DY 5
	1/1/27 – 12/31/27	1/1/28 – 12/31/28	1/1/29 – 12/31/29	1/1/30 – 12/31/30	1/1/31 – 12/31/31
Justice-Involved Reentry Services	$5,290,254	$5,555,050	$14,369,737	$15,088,224	$15,842,635
Justice-Involved Capacity Building Funds	TBD	TBD	TBD	TBD	TBD

Budget Neutrality

The Demonstration is expected to be budget neutral as evaluated by CMS. Budget neutrality will align with projected expenditures for the Reentry Services Demonstration. Michigan will continue to work with CMS to finalize budget neutrality during the demonstration negotiation and approval process.

Demonstration Evaluation

Michigan will contract with an independent evaluator to assess the impact of the proposed Reentry Services Demonstration. Michigan is proposing the following hypotheses:

- The program will increase the eligibility and enrollment of individuals not previously covered and thereby increase coverage and service uptake.
- Increasing physical and behavioral health services prior to release improve transitions and continuity of care following reentry into the community.
- The program will improve coordination between carceral settings and community services upon release to address physical health, behavioral health, and health -related social needs.
- The program will provide intervention for certain behavioral health conditions using stabilizing medications and reduce decompensation, suicide, and overdose -related deaths.

Comments

Any interested party wishing to comment on the Section1115 Reentry Services Demonstration may send comments by **August 28, 2024,** to the Behavioral and Physical Health and Aging Services Administration by U.S. postal mail or email. If commenting by email, please include "Section 1115 Reentry Services Demonstration" in the subject line.

By mail:
MDHHS/Behavioral and Physical Health and Aging Services Administration,
Program Policy Division,
PO Box 30479,
Lansing, MI 48909-7979.

By email: mdhhs-engagemedicaid@michigan.gov

Public Comment Summary

During the public comment period from June 28, 2024, to July 28, 2024, MDHHS received questions and comments from 37 individuals and professional organizations. Of the 37 respondents 13 letters of support were provided, 28 individual questions were submitted, and 24 comments were received. All questions have been categorized and summarized in the following questions. MDHHS has provided a response for each category's question(s). Additionally, received comments were categorized and a response has been provided by MDHHS.

Data and Coordination

Question: What data will MDHHS provide to health plans?

> *MDHHS Response: While developing the Implementation Plan required by CMS, MDHHS will consider data reporting and exchange requirements. MDHHS will also consider these questions during its convening of stakeholder partners in the pre-planning and readiness discussions that will begin over the next few months after formal submission of the application to CMS. MDHHS will continue to update stakeholders through regularly established open public/stakeholder meetings as operational elements for implementing the demonstration are established. MDHHS thanks you for this feedback.*

How will data collection and responsibility be managed to ensure effective coordination of services?

> *MDHHS Response: While developing the Implementation Plan required by CMS, MDHHS will consider data reporting and exchange requirements. MDHHS will also consider these questions during its convening of stakeholder partners in the pre-planning and readiness discussions that will begin over the next few months after formal submission of the application to CMS. MDHHS will continue to update stakeholders through regularly established open public/stakeholder meetings as operational elements for implementing the demonstration are established. MDHHS thanks you for this feedback.*

Provider Capacity and Engagement

How is the department ensuring sufficient provider capacity and engagement, including implementing a robust stakeholder input process, and applying lessons learned from other states?

> *MDHHS Response: MDHHS will establish a formal convening of stakeholder partners in the pre-planning and readiness discussions that will begin over the*

next few months after formal submission of the application to CMS. MDHHS will continue to update all stakeholders through regularly established open public/stakeholder meetings as operational elements for implementing the demonstration are established.

Covered Services

How will the demonstration address the integration of Social Determinants of Health (SDOH)?

MDHHS Response: As part of case management provided to individuals eligible for the demonstration, case management providers will establish client relationships, conduct a needs assessment, develop a person-centered care plan, and make appropriate linkages and referrals to post-release care and supports. This will include establishing appropriate linkages and referrals to services and supports to address Social Determinants of Health (SDOH) in the post-release period.

Will the demonstration include dental benefits?

MDHHS Response: No, MDHHS is seeking to align the covered services with CMS' State Medicaid Director Letter (SMDL) # 23-003, "Opportunities to Test Transition-Related Strategies to Support Community Reentry and Improve Care Transitions for Individuals Who Are Incarcerated," issued April 17, 2023.

- ***Case Management*** *under which providers, in collaboration with Community Health Workers, will establish client relationships, conduct a needs assessment, develop a person-centered care plan, and make appropriate linkages and referrals to post-release care and supports.*
- ***Medication for Opioid Use Disorder and Alcohol Use Disorders (AUD)****, including medication in combination with counseling/behavioral therapies, as clinically appropriate.*
- ***At a Minimum, a 30-Day Supply of Prescription Medication*** *in hand upon release, consistent with Medicaid and CHIP State Plan coverage.*

In addition to the above three services, Michigan plans to provide the following additional services to assist in improving care transitions for incarcerated individuals:

- ***Physical and Behavioral Health Clinical Consultation Services****, as medically necessary, that are intended to support the creation of a comprehensive, robust, and successful reentry plan, such as clinical screenings and pre-release consultations with community-based providers.*
- ***Medications and Medication Administration*** *during the pre-release period, as clinically appropriate, consistent with Medicaid State Plan coverage.*

- ***Prescription or Written Order for Durable Medical Equipment*** *in hand upon release, consistent with Medicaid and CHIP State Plan coverage.*

In-Reach Timeframe:

How many days does the waiver cover prior to release?

> *MDHHS Response: This waiver will provide pre-release services for a period of up to 90 days prior to an individual's expected date of release. The stakeholder engagement process and implementation planning period will be used to develop policy and guidance around implementation of the coverage and pre-release services.*

Eligible Populations:

Can you clarify the eligibility criteria for the demonstration, particularly regarding what is meant by high physical or behavioral health (BH) risk?

> *MDHHS Response: Individuals eligible to participate in the proposed Reentry Demonstration will include adults and youth in a state prison, local county jail, or juvenile facilities who would be eligible for full scope Medicaid or CHIP if not for their incarceration status.*
> *Justice-involved individuals experience disproportionately higher rates of physical and behavioral health diagnoses, compared to individuals who have never been incarcerated, and once released, are more likely to experience adverse health events. Individuals who were recently released from an incarcerated setting may lack the resources to access health care or other critical social services. People leaving incarceration tend to have "high rates of mental illness, substance use disorders, and physical health problems, as well as the numerous barriers to securing housing, employment, food, and other social supports that affect health outcomes." The Reentry Demonstration will address the health care needs of Michigan's justice-involved population, advance the State's health equity priorities, and promote the objectives of the Medicaid program by ensuring justice-involved individuals with high physical or behavioral health risks receive needed coverage and health care services pre- and post-release into the community.*

Will the demonstration extend coverage to pre-adjudicated and non-adjudicated populations, and what are the implications for those with physical health needs compared to those with behavioral health needs?

> *MDHHS Response: The demonstration will extend coverage to pre and non-adjudicated populations. This demonstration offers services that address*

behavioral and physical health needs. Individuals eligible to participate in the proposed Reentry Demonstration will include adults and youth in a state prison, local county jail, or juvenile facilities who would be eligible for full scope Medicaid or CHIP if not for their incarceration status. Eligibility is not limited to individuals who meet certain clinical criteria.

Incarceration and Release

How will the demonstration address Medicaid enrollment and prerelease service coverage for incarcerated individuals, especially those without set release dates or who may be released unexpectedly?

MDHHS Response: While developing the Implementation Plan required by CMS, MDHHS will consider the operational details related to care coordination in the post-release period. MDHHS will also consider these questions during its convening of stakeholder partners in the pre-planning and readiness discussions that will begin over the next few months after formal submission of the application to CMS.

Implementation and Administration

How will this demonstration be implemented, i.e., who is responsible for creating and following the care plans for the incarcerated individuals once they are in the community?

MDHHS Response: MDHHS reads this comment to be operational in nature and these questions will be considered by MDHHS and its convening of stakeholder partners in the pre-planning and readiness discussions that will begin over the next few months after formal submission of the application to CMS.

Can you explain or how does this waiver interface with the TCM policy?

MDHHS Response: The Section 1115 Reentry Services Demonstration covers the period of up to 90 days pre-release, and the Targeted Case Management for Recently Incarcerated Individuals State Plan Amendments covers the period of up to twelve months post-release.

Billing and Financial Aspects

Will the demonstration allow for retroactive billing, and how will funding adequacy be ensured to support the provision of reentry services without affecting other critical services?

MDHHS Response: Billing for services associated with this demonstration will be contingent on CMS approval. MDHHS will ensure that details associated with the reimbursement of waiver services will be refined during the implementation planning period.

How does the state plan to ensure that Medicaid funding is sufficient to support this demonstration, especially in light of funding not being included in the FY25 budget?

MDHHS Response: MDHHS is committed to the implementation of this demonstration, and MDHHS anticipates that future funding will be available.

Stakeholder and Public Engagement

How will the demonstration involve peers in planning and implementation?

MDHHS Response: MDHHS will establish a formal convening of stakeholder partners in the pre-planning and readiness discussions that will begin over the next few months after formal submission of the application to CMS. Individuals with lived experience are imperative to ensuring successful implementation of the demonstration and will be included in the stakeholder structure.

Are jails required to participate in this demonstration?

MDHHS Response: No jails will not be required to participate in this demonstration. However, based on readiness, jails are encouraged to participate in this demonstration in Phase 2.

Will there be any incentives provided to encourage jails to participate in this demonstration?

MDHHS Response: To support implementation of the reentry initiative, Michigan is requesting capacity building funds. Capacity building funds, if secured, will be available to provide start-up funding to correctional facilities and implementing partners for the planning and implementation of reentry services. If secured, this funding will support planning and implementation activities, including but not limited to: development of new business and operational practices related to health information technology (IT) systems, hiring and training of staff to assist with implementing the reentry initiative, and outreach, education, and stakeholder convening to advance collaboration.

Policy and Approval

Will the state address existing barriers that exclude peer service providers with felonies from meeting eligibility qualifications and serving populations included in this demonstration?

> *MDHHS Response: MDHHS recognizes the value of peer support providers with lived experience in supporting justice-involved individuals in staying engaged in the recovery process, improve their mental health and well-being, and reduce the likelihood of a recurrence of symptoms. MDHHS is exploring options to maximize the participation of peer support providers under the demonstration.*

Has Michigan received any opposition to this demonstration proposal?

> *MDHHS Response: MDHHS has received overwhelming support for this demonstration.*

Comments

Data and Coordination

To ensure the effectiveness of reentry services, the demonstration should include robust monitoring and evaluation framework that tracks the performance and impact of community providers who deliver services to justice-involved youth. Key metrics to monitor should include the quality and accessibility of services provided, the coordination between the provider and the facilities, recidivism rates, health outcomes, and demographic information. The demonstration must create a feedback loop that allows those with lived experience to directly inform the process through both qualitative and quantitative means.

> *MDHHS Response:* MDHHS appreciates your comment. As required by CMS, Michigan will contract with an independent evaluator to assess the impact of the proposed Reentry Demonstration. MDHHS will take the recommendation into consideration as the state works with CMS to develop an evaluation design.

Covered Services

Recommend the State consider the following additional recommendations as part of the benefit package:

- Food as Medicine
- Peer support
- Telehealth services
- Additional support to address the special needs of the Juvenile population and their families:
- Benefits that help remove SDOH/HRSN barriers

MDHHS Response: MDHHS appreciates your comment. MDHHS will take the recommendation into consideration.

The integration of SDOH considerations and lived experience into reentry programs is not just a recommendation—it is a pressing necessity that can lead to transformative, positive outcomes for individuals and communities alike.

MDHHS Response: MDHHS is committed to addressing SDOH under the demonstration. As part of case management provided to individuals eligible for the demonstration, case management providers will establish client relationships, conduct a needs assessment, develop a person-centered care plan, and make appropriate linkages and referrals to post-release care and supports. This will include establishing appropriate linkages and referrals to services and supports to address SDOH in the post-release period.

The demonstration should include a stronger focus on providing comprehensive mental health assessments and continuous care plans that extend beyond the initial 90-day period post-release.

MDHHS Response: MDHHS appreciates your comment. MDHHS will take the recommendation into consideration.

The demonstration should include explicit language that highlights the support of services that facilitate family counseling and reunification efforts, helping to rebuild and strengthen family bonds that may have been strained during incarceration.

MDHHS Response: MDHHS appreciates your comment. MDHHS will take the recommendation into consideration.

Include any pre-legal contact Medicaid approved services, prescriptions, or procedures in the waiver. For example: Maintenance prescription drugs like hypertension, AIDS, or Hepatitis drugs, dialysis, etc.

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Include preventative checkups and tests, diagnostic tests, and medically necessary treatment resulting from those encounters, including prescription drugs, physical, and behavioral health.

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Include inpatient and outpatient medically necessary procedures, including physical health and behavioral health services, that would otherwise be covered by Medicaid.

MDHHS Response: MDHHS appreciates your comment. MDHHS will take the recommendation into consideration.

Evidence supports the use of peer support services provided by formerly incarcerated people, and the more we are able to fund those services through Medicaid, the better reentry outcomes we are likely to see.

MDHHS Response: MDHHS appreciates your comment. MDHHS will take the recommendation into consideration.

In-Reach Timeframe:

Recommend care managers be allowed to engage individuals in county jails within the first week of incarceration.

MDHHS Response: MDHHS appreciates your comment. MDHHS will take the recommendation into consideration.

Eligible Populations:

Include pre-adjudicated and non-adjudicated populations in the waiver.

MDHHS Response: The demonstration will extend coverage to pre and non-adjudicated populations.

Make sure the targeted sub-population includes those with physical health needs at least on par with those with behavioral health needs.

MDHHS Response: Individuals eligible to participate in the proposed Reentry Demonstration will include adults and youth in a state prison, local county jail, or juvenile facilities who would be eligible for full scope Medicaid or CHIP if not for their incarceration status. Eligibility is not limited to individuals who meet certain clinical criteria.

Incarceration and Release

Suggest the state ensure that state prisons, local county jails, and juvenile facilities implement or confirm a clear process to determine eligibility and enroll eligible individuals in Medicaid or any supporting government programs.

MDHHS Response: MDHHS appreciates your comment. MDHHS will take the recommendation into consideration.

Implementation and Administration

Recommend Medicaid Health Plans (MHPs) be responsible for facilitating Reentry services and benefits.

MDHHS Response: MDHHS appreciates your comment. MDHHS will take the recommendation into consideration.

Include jails in the first stage of implementation, provide automatic entry, and include sheriffs and representatives of the Community Mental Health system and County Boards of Commissioners in the process.

MDHHS Response: MDHHS appreciates your comment. MDHHS will take the recommendation into consideration.

Include pre-adjudicated front-end access to Medicaid until adjudication occurs. Include post-adjudicated back-end access to Medicaid within 90 days of release.

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Recommend the State consider the crucial role of Prepaid Inpatient Health Plans (PIHPs).

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Give providers bias training specific to working with the incarcerated population, to instill cultural competencies necessary to do this work effectively.

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MDHHS Response: MDHHS appreciates your comment. MDHHS will take the recommendation into consideration.

Recommend the state also consider using the following measures and outcomes to identify and establish success:

- Recidivism for all populations. The Indiana Department of Correction's internal data indicates a lower rate of recidivism (9-10%) among returning citizens served by us than the state average of 30%. A more rigorous approach to evaluating impacts on recidivism would include criminogenic risk as a control variable, if available.
- Education and future out-of-home placements (with an emphasis on foster care) outcomes for the youth population.
- Intermediate measures should focus on evidence of individuals accessing services in the community over an extended period, as treatment retention is predictive of longer-term outcomes.
- All-cause mortality as an outcome measure. The relative risk of any type of death is higher for individuals transitioning out of incarceration.
- Metrics to assess health equity

MDHHS Response: MDHHS appreciates your comment. MDHHS will take the recommendation into consideration.

Billing and Financial Aspects

Ensure that the Medicaid dollars provided to the state's public mental health system, its Community Mental Health Services Programs and its Prepaid Inpatient Health Plans, are sufficient to provide, directly or via contractual providers, the behavioral health services needed by these inmates.

MDHHS Response: MDHHS appreciates your comment. MDHHS will take the recommendation into consideration.

Take care that funding is adequate to ensure capacity of providers to provide reentry services without impacting provision of other services.

MDHHS Response: MDHHS appreciates your comment. MDHHS will take the recommendation into consideration.

Recommend consideration of the following capacity-building activities in addition to those listed in the proposal:

- Technology and IT support, including support of EHR adoption among organizations (including Correctional Facilities) that currently lack resources to share data digitally or participate in the MiHIN
- Development of standardized protocols and procedures
- Stakeholder collaboration and planning activities

- Hiring and training of staff who can deploy key evidence-based practices, including Functional Family Therapy (FFT). Trainings for these programs can be costly and do not qualify for reimbursement under Fee-for-Service payment models

MDHHS Response: MDHHS appreciates your comment. MDHHS will take the recommendation into consideration.

Stakeholder and Public Engagement

Recommend the following be included part in an advisory committee:

- Sheriffs as well as jail staff who would have a role in implementing the demonstration
- MDOC (particularly representatives from parole, probation, reentry, and the Bureau of health care services)
- Community corrections
- County officials
- CMHs/PIHPs
- Local DHHS offices
- Medicaid managed care plans
- Federally Qualified Health Centers
- Local public health departments
- Physical health and behavioral health organizations and providers

MDHHS Response: MDHHS appreciates your comment. MDHHS will take the recommendation into consideration as it establishes its Stakeholder Advisory Committee.

References

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DEMONSTRATION WITHOUT WAIVER (WOW) BUDGET PROJECTION: COVERAGE COSTS FOR POPULATIONS

ELIGIBILITY GROUP	BASE YEAR DY 00	TREND RATE	DEMONSTRATION YEARS (DY) DY 01	DY 02	DY 03	DY 04	DY 05	TOTAL WOW
Hypo 1 - Services								
Pop Type:								
Eligible Member Months	15,800	0.0%	-	7,900	15,800	21,582	27,363	72,645
PMPM Cost	$ 1,173.05	5.2%	$ -	$ 1,331.97	$ 1,366.60	$ 1,437.67	$ 1,512.43	$ 1,438.88
Total Expenditure			$ -	$ 10,522,585	$ 21,592,345	$ 31,027,022	$ 41,384,519	$ 104,526,472
Hypo 2 - Planning and Implementation (Non-Services)								
Pop Type:								
Total Expenditure			$ 40,000,000	$ 18,000,000	$ 18,000,000	$ 4,500,000	$ -	$ 80,500,000

DEMONSTRATION WITH WAIVER (WW) BUDGET PROJECTION: COVERAGE COSTS FOR POPULATIONS

ELIGIBILITY GROUP	DY 00	TREND RATE	DEMONSTRATION YEARS (DY) DY 01	DY 02	DY 03	DY 04	DY 05	TOTAL WW
Hypo 1 - Services								
Pop Type:	**Hypothetical**							
Eligible Member Months			-	7,900	15,800	21,582	27,363	
PMPM Cost				$ 1,331.97	$ 1,366.60	$ 1,437.67	$ 1,512.43	
Total Expenditure			$ -	$ 10,522,585	$ 21,592,345	$ 31,027,022	$ 41,384,519	$ 104,526,472
Hypo 2 - Planning and Implementation (Non-Services)								
Pop Type:	**Hypothetical**							
Total Expenditure			$ 40,000,000	$ 18,000,000	$ 18,000,000	$ 4,500,000	$ -	$ 80,500,000

Budget Neutrality Summary

HYPOTHETICALS ANALYSIS

Without-Waiver Total Expenditures

	DEMONSTRATION YEARS (DY)					TOTAL
	DY 01	DY 02	DY 03	DY 04	DY 05	
Hypo 1 - Services	$ -	$ 10,522,585	$ 21,592,345	$ 31,027,022	$ 41,384,519	$ 104,526,472
Hypo 2 - Planning and Implementation (Non-Services)	$ 40,000,000	$ 18,000,000	$ 18,000,000	$ 4,500,000	$ -	$ 80,500,000
TOTAL	$ 40,000,000	$ 28,522,585	$ 39,592,345	$ 35,527,022	$ 41,384,519	$ 185,026,472

With-Waiver Total Expenditures

	DEMONSTRATION YEARS (DY)					TOTAL
	DY 01	DY 02	DY 03	DY 04	DY 05	
Hypo 1 - Services	$ -	$ 10,522,585	$ 21,592,345	$ 31,027,022	$ 41,384,519	$ 104,526,472
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TOTAL	$ 40,000,000	$ 28,522,585	$ 39,592,345	$ 35,527,022	$ 41,384,519	$ 185,026,472

HYPOTHETICALS VARIANCE	$ -	$ -	$ -	$ -	$ -	$ -

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

ELIZABETH HERTEL
DIRECTOR

September 13, 2024

TO: Interested Party

RE: Consultation Summary 1115 Waiver Application

Thank you for your comment(s) to the Behavioral and Physical Health and Aging Services Administration. Your comment(s) has been considered in the preparation of the final publication, a copy of which is attached for your information.

Responses to specific comments are addressed below.

Comment: What data will MDHHS provide to health plans?

Response: While developing the Implementation Plan required by CMS, MDHHS will consider data reporting and exchange requirements. MDHHS will also consider these questions during its convening of stakeholder partners in the pre-planning and readiness discussions that will begin over the next few months after formal submission of the application to CMS. MDHHS will continue to update stakeholders through regularly established open public/stakeholder meetings as operational elements for implementing the demonstration are established. MDHHS thanks you for this feedback.

Comment: How will data collection and responsibility be managed to ensure effective coordination of services?

Response: While developing the Implementation Plan required by CMS, MDHHS will consider data reporting and exchange requirements. MDHHS will also consider these questions during its convening of stakeholder partners in the pre-planning and readiness discussions that will begin over the next few months after formal submission of the application to CMS. MDHHS will continue to update stakeholders through regularly established open public/stakeholder meetings as operational elements for implementing the demonstration are established. MDHHS thanks you for this feedback.

Comment: To ensure the effectiveness of reentry services, the demonstration should include robust monitoring and evaluation framework that tracks the performance and impact of community providers who deliver services to

justice-involved youth. Key metrics to monitor should include the quality and accessibility of services provided, the coordination between the provider and the facilities, recidivism rates, health outcomes, and demographic information. The demonstration must create a feedback loop that allows those with lived experience to directly inform the process through both qualitative and quantitative means.

Response: MDHHS appreciates your comment. As required by CMS, Michigan will contract with an independent evaluator to assess the impact of the proposed Reentry Demonstration. MDHHS will take the recommendation into consideration as the state works with CMS to develop an evaluation design.

Comment: How is the department ensuring sufficient provider capacity and engagement, including implementing a robust stakeholder input process, and applying lessons learned from other states?

Response: MDHHS will establish a formal convening of stakeholder partners in the pre-planning and readiness discussions that will begin over the next few months after formal submission of the application to CMS. MDHHS will continue to update all stakeholders through regularly established open public/stakeholder meetings as operational elements for implementing the demonstration are established.

Comment: How will the demonstration address the integration of Social Determinants of Health (SDOH)?

Response: As part of case management provided to individuals eligible for the demonstration, case management providers will establish client relationships, conduct a needs assessment, develop a person-centered care plan, and make appropriate linkages and referrals to post-release care and supports. This will include establishing appropriate linkages and referrals to services and supports to address Social Determinants of Health (SDOH) in the post-release period.

Comment: Will the demonstration include dental benefits?

Response: No, MDHHS is seeking to align the covered services with CMS' State Medicaid Director Letter (SMDL) # 23-003, "Opportunities to Test Transition-Related Strategies to Support Community Reentry and Improve Care Transitions for Individuals Who Are Incarcerated," issued April 17, 2023.

- **Case Management** under which providers, in collaboration with Community Health Workers, will establish client relationships,

conduct a needs assessment, develop a person-centered care plan, and make appropriate linkages and referrals to post-release care and supports.
- **Medication for Opioid Use Disorder and Alcohol Use Disorders (AUD)**, including medication in combination with counseling/behavioral therapies, as clinically appropriate.
- **At a Minimum, a 30-Day Supply of Prescription Medication** in hand upon release, consistent with Medicaid and CHIP State Plan coverage.

In addition to the above three services, Michigan plans to provide the following additional services to assist in improving care transitions for incarcerated individuals:
- **Physical and Behavioral Health Clinical Consultation Services**, as medically necessary, that are intended to support the creation of a comprehensive, robust, and successful reentry plan, such as clinical screenings and pre-release consultations with community-based providers.
- **Medications and Medication Administration** during the pre-release period, as clinically appropriate, consistent with Medicaid State Plan coverage.
- **Prescription or Written Order for Durable Medical Equipment** in hand upon release, consistent with Medicaid and CHIP State Plan coverage.

Comment: Recommend the State consider the following additional recommendations as part of the benefit package:
- Food as Medicine
- Peer support
- Telehealth services
- Additional support to address the special needs of the Juvenile population and their families:
- Benefits that help remove SDOH/HRSN barriers

Response: MDHHS appreciates your comment. MDHHS will take the recommendation into consideration.

Comment: The integration of SDOH considerations and lived experience into reentry programs is not just a recommendation—it is a pressing necessity that can lead to transformative, positive outcomes for individuals and communities alike.

Response: MDHHS is committed to addressing SDOH under the demonstration. As part of case management provided to individuals eligible for the demonstration, case management providers will establish client relationships, conduct a needs assessment, develop a person-centered care plan, and make appropriate linkages and referrals to post-release care and supports. This will include establishing appropriate linkages and referrals to services and supports to address SDOH in the post-release period.

Comment: The demonstration should include a stronger focus on providing comprehensive mental health assessments and continuous care plans that extend beyond the initial 90-day period post-release.

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Response: MDHHS appreciates your comment. MDHHS will take the recommendation into consideration.

Comment: Evidence supports the use of peer support services provided by formerly incarcerated people, and the more we are able to fund those services through Medicaid, the better reentry outcomes we are likely to see.

Response: MDHHS appreciates your comment. MDHHS will take the recommendation into consideration.

Comment: How many days does the waiver cover prior to release?

Response: This waiver will provide pre-release services for a period of up to 90 days prior to an individual's expected date of release. The stakeholder engagement process and implementation planning period will be used to develop policy and guidance around implementation of the coverage and pre-release services.

Comment: Recommend care managers be allowed to engage individuals in county jails within the first week of incarceration.

Response: MDHHS appreciates your comment. MDHHS will take the recommendation into consideration.

Comment: Can you clarify the eligibility criteria for the demonstration, particularly regarding what is meant by high physical or behavioral health (BH) risk?

Response: Individuals eligible to participate in the proposed Reentry Demonstration will include adults and youth in a state prison, local county jail, or juvenile facilities who would be eligible for full scope Medicaid or CHIP if not for their incarceration status.

Justice-involved individuals experience disproportionately higher rates of physical and behavioral health diagnoses, compared to individuals who have never been incarcerated, and once released, are more likely to experience adverse health events. Individuals who were recently released from an incarcerated setting may lack the resources to access health care or other critical social services. People leaving incarceration tend to have "high rates of mental illness, substance use disorders, and physical health problems, as well as the numerous barriers to securing housing, employment, food, and other social supports that affect health outcomes." The Reentry Demonstration will address the health care needs of Michigan's justice-involved population, advance the State's health equity priorities, and promote the objectives of the Medicaid program by ensuring justice-involved individuals with high physical or

behavioral health risks receive needed coverage and health care services pre- and post-release into the community.

Comment: Will the demonstration extend coverage to pre-adjudicated and non-adjudicated populations, and what are the implications for those with physical health needs compared to those with behavioral health needs?

Response: The demonstration will extend coverage to pre and non-adjudicated populations. This demonstration offers services that address behavioral and physical health needs. Individuals eligible to participate in the proposed Reentry Demonstration will include adults and youth in a state prison, local county jail, or juvenile facilities who would be eligible for full scope Medicaid or CHIP if not for their incarceration status. Eligibility is not limited to individuals who meet certain clinical criteria.

Comment: Include pre-adjudicated and non-adjudicated populations in the waiver.

Response: The demonstration will extend coverage to pre and non-adjudicated populations.

Comment: Make sure the targeted sub-population includes those with physical health needs at least on par with those with behavioral health needs.

Response: Individuals eligible to participate in the proposed Reentry Demonstration will include adults and youth in a state prison, local county jail, or juvenile facilities who would be eligible for full scope Medicaid or CHIP if not for their incarceration status. Eligibility is not limited to individuals who meet certain clinical criteria.

Comment: How will the demonstration address Medicaid enrollment and prerelease service coverage for incarcerated individuals, especially those without set release dates or who may be released unexpectedly?

Response: While developing the Implementation Plan required by CMS, MDHHS will consider the operational details related to care coordination in the post release period. MDHHS will also consider these questions during its convening of stakeholder partners in the pre-planning and readiness discussions that will begin over the next few months after formal submission of the application to CMS.

Comment: Suggest the state ensure that state prisons, local county jails, and juvenile facilities implement or confirm a clear process to determine eligibility and enroll eligible individuals in Medicaid or any supporting government programs.

Response: MDHHS appreciates your comment. MDHHS will take the recommendation into consideration.

Comment: How will this demonstration be implemented, i.e., who is responsible for creating and following the care plans for the incarcerated individuals once they are in the community?

Response: MDHHS reads this comment to be operational in nature and these questions will be considered by MDHHS and its convening of stakeholder partners in the pre-planning and readiness discussions that will begin over the next few months after formal submission of the application to CMS.

Comment: Can you explain or how does this waiver interface with the TCM policy?

Response: The Section 1115 Reentry Services Demonstration covers the period of up to 90 days pre-release, and the Targeted Case Management for Recently Incarcerated Individuals State Plan Amendments covers the period of up to twelve months post-release.

Comment: Recommend Medicaid Health Plans (MHPs) be responsible for facilitating Reentry services and benefits.

Response: MDHHS appreciates your comment. MDHHS will take the recommendation into consideration.

Comment: Include jails in the first stage of implementation, provide automatic entry, and include sheriffs and representatives of the Community Mental Health system and County Boards of Commissioners in the process.

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Comment: Recommend the state also consider using the following measures and outcomes to identify and establish success:

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- Education and future out-of-home placements (with an emphasis on foster care) outcomes for the youth population.
- Intermediate measures should focus on evidence of individuals accessing services in the community over an extended period, as treatment retention is predictive of longer-term outcomes.
- All-cause mortality as an outcome measure. The relative risk of any type of death is higher for individuals transitioning out of incarceration.
- Metrics to assess health equity

Response: MDHHS appreciates your comment. MDHHS will take the recommendation into consideration.

Comment: Will the demonstration allow for retroactive billing, and how will funding adequacy be ensured to support the provision of reentry services without affecting other critical services?

Response: Billing for services associated with this demonstration will be contingent on CMS approval. MDHHS will ensure that details associated with the reimbursement of waiver services will be refined during the implementation planning period.

Comment: How does the state plan to ensure that Medicaid funding is sufficient to support this demonstration, especially in light of funding not being included in the FY25 budget?

Response: MDHHS is committed to the implementation of this demonstration, and MDHHS anticipates that future funding will be available.

Comment: Ensure that the Medicaid dollars provided to the state's public mental health system, its Community Mental Health Services Programs and its Prepaid Inpatient Health Plans, are sufficient to provide, directly or via contractual providers, the behavioral health services needed by these inmates.

Response: MDHHS appreciates your comment. MDHHS will take the recommendation into consideration.

Comment: Take care that funding is adequate to ensure capacity of providers to provide reentry services without impacting provision of other services.

Response: MDHHS appreciates your comment. MDHHS will take the recommendation into consideration.

Comment: Recommend consideration of the following capacity-building activities in addition to those listed in the proposal:

- Technology and IT support, including support of EHR adoption among organizations (including Correctional Facilities) that currently lack resources to share data digitally or participate in the MiHIN
- Development of standardized protocols and procedures
- Stakeholder collaboration and planning activities
- Hiring and training of staff who can deploy key evidence-based practices, including Functional Family Therapy (FFT). Trainings for these programs can be costly and do not qualify for reimbursement under Fee-for-Service payment models

Response: MDHHS appreciates your comment. MDHHS will take the recommendation into consideration.

Comment: How will the demonstration involve peers in planning and implementation?

Response: MDHHS will establish a formal convening of stakeholder partners in the pre-planning and readiness discussions that will begin over the next few months after formal submission of the application to CMS. Individuals with lived experience are imperative to ensuring successful implementation of the demonstration and will be included in the stakeholder structure.

Comment: Are jails required to participate in this demonstration?

Response: No jails will not be required to participate in this demonstration. However, based on readiness, jails are encouraged to participate in this demonstration in Phase 2.

Comment: Will there be any incentives provided to encourage jails to participate in this demonstration?

Response: To support implementation of the reentry initiative, Michigan is requesting capacity building funds. Capacity building funds, if secured, will be available to provide start-up funding to correctional facilities and implementing partners for the planning and implementation of reentry services. If secured, this funding will support planning and implementation activities, including but not limited to: development of new business and operational practices related to health information technology (IT) systems, hiring and training of staff to assist with implementing the reentry initiative, and outreach, education, and stakeholder convening to advance collaboration.

Comment: Will the state address existing barriers that exclude peer service providers with felonies from meeting eligibility qualifications and serving populations included in this demonstration?

Response: MDHHS recognizes the value of peer support providers with lived experience in supporting justice-involved individuals in staying engaged in the recovery process, improve their mental health and well-being, and reduce the likelihood of a recurrence of symptoms. MDHHS is exploring options to maximize the participation of peer support providers under the demonstration.

Comment: Has Michigan received any opposition to this demonstration proposal?

Response: MDHHS has received overwhelming support for this demonstration.

Comment: Recommend the following be included part in an advisory committee:

- Sheriffs as well as jail staff who would have a role in implementing the demonstration
- MDOC (particularly representatives from parole, probation, reentry, and the Bureau of health care services)
- Community corrections
- County officials
- CMHs/PIHPs
- Local DHHS offices
- Medicaid managed care plans
- Federally Qualified Health Centers
- Local public health departments
- Physical health and behavioral health organizations and providers

Response: MDHHS appreciates your comment. MDHHS will take the recommendation into consideration as it establishes its Stakeholder Advisory Committee.

Thank you for your inquiry. We trust that previous responses addressed the concerns and questions noted. If you wish to comment further, send your comments to MDHHS-ENGAGEMEDICAID@michigan.gov.

Sincerely,

Meghan Groen, Director
Behavioral and Physical Health and Aging Services Administration