

Section 1115 Reentry Services Demonstration

May 2025



Quick Access to Information

Scan this QR code to visit
the MDHHS Section 1115
Reentry Services
Demonstration webpage.



Webpage link: [MDHHS Section 1115 Reentry Services Demonstration](#)

Background – Current State

- MDHHS cannot pay for health care services when a Medicaid enrollee is incarcerated (except for inpatient hospitalizations).
- Data exchange processes exist to aid in ensuring limited inpatient hospitalization coverage is assigned, and eligibility updated at transitions, as appropriate.
- MDHHS covers a suite of health care services, including a Targeted Case Management for recently incarcerated individuals, upon release, and eligibility is verified.

Health Care Coverage Processing

(Data exchange:
MDHHS <=> DOC,
County Jail <=> MDHHS local office)

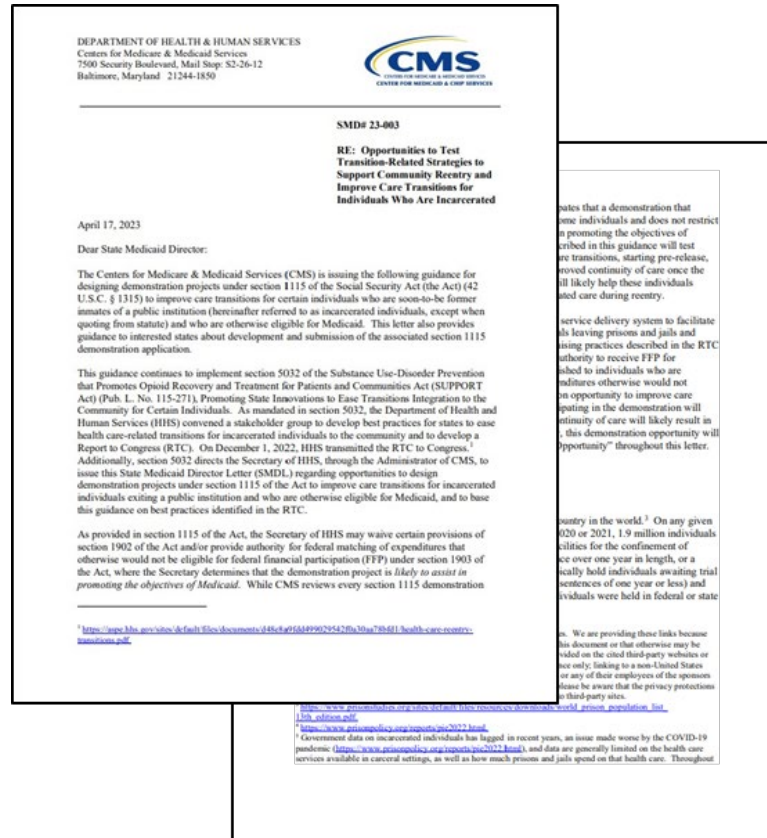
INCARCERATION

Targeted Case Management & comprehensive care models

(CCBHC, health homes)

POST-RELEASE

#23-003 issued April 17, 2023



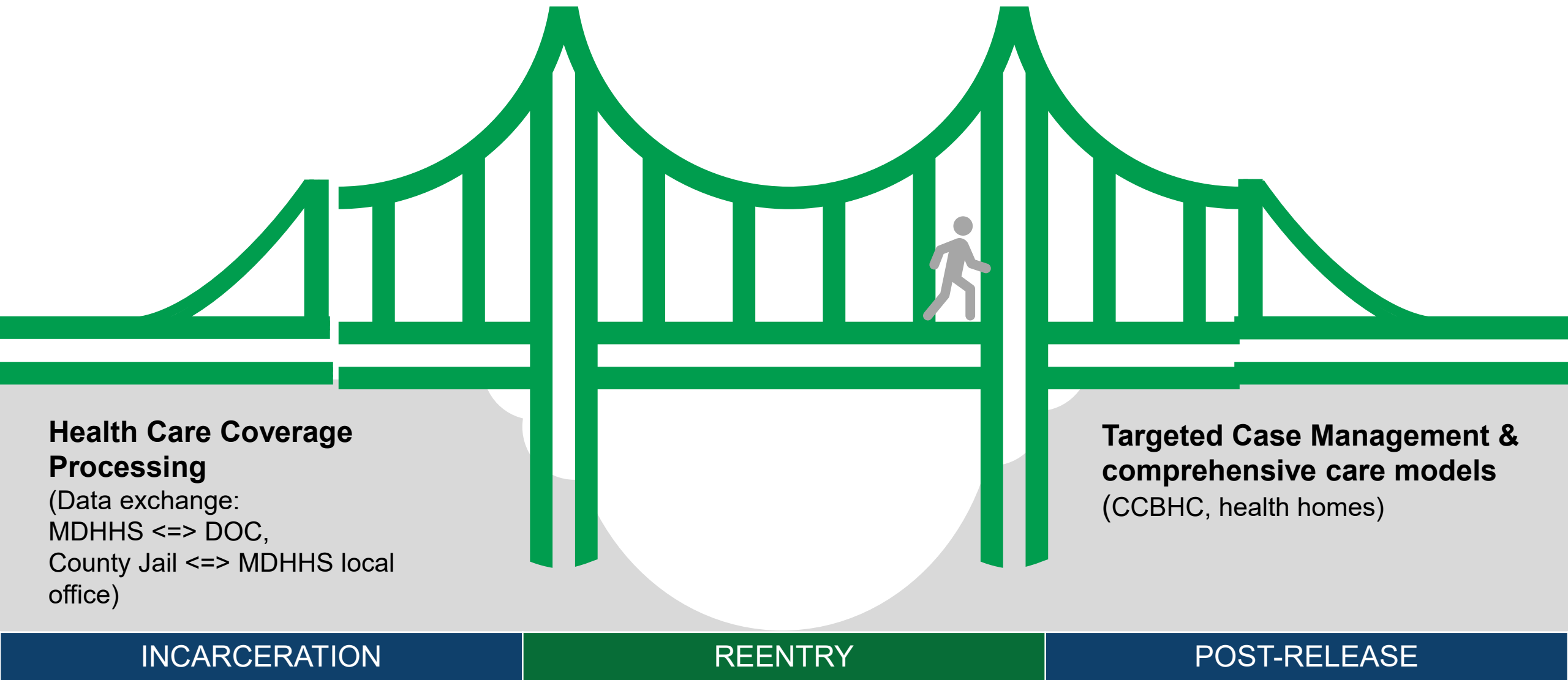
- The State Medicaid Directors Letter:
 - Provides guidance on how states can design section 1115 reentry demonstrations to provide select Medicaid-covered services to justice-involved individuals prior to release.
 - Establishes minimum set of pre-release services.
 - Highlights expected outcomes including reductions in health disparities, lower recidivism rates and enhanced public health and safety.

Michigan's Section 1115 Approval



- Fall of 2024 - MDHHS submitted a Section 1115 waiver to CMS.
- December 2024, CMS granted approval of MDHHS Section 1115 demonstration.
- The Section 1115 Reentry Demonstration allows our state to implement a reentry program starting in January 2027
 - Pays for certain Medicaid services up to 90 days before release.
 - Authorized to operate January 2027 - December 2029 and may be renewed.
 - Requires legislative support for funding in FY2026 (October 1, 2025 – September 1, 2026).

Building a Bridge for Reentry



Demonstration Eligibility

Individual Eligibility

Incarcerated individuals must meet the following criteria to receive Reentry Services:

- ✓ In custody of an eligible facility, and
- ✓ Meet Medicaid eligibility (if not for carceral status), and
- ✓ Meet one of the following:
 - Adult.
 - Youth under 19 years of age.
 - Current children/youth in foster care.
 - Former foster care youth up to age 26.

Facility Eligibility

The following facilities are eligible following successful demonstration of readiness:

- State Prisons operated by MDOC.
- County operated jails.
- Tribal jails.
- Juvenile Rehabilitation Centers operated by MDHHS.
- Court operated juvenile detention centers.

Covered Reentry Services

To participate in the Reentry Services Demonstration, eligible facilities must demonstrate ability to deliver the approved services:

Mandatory pre-release services

- Case Management.
- Medication for Opioid Use Disorder and Alcohol Use Disorders.
- 30-day supply of all medications at release.

Optional pre-release services

- Physical and Behavioral Health Clinical Consultation Services.
- Medications and Medication Administration .
- Prescription or Written Order for Durable Medical Equipment.

Youth Reentry Services Alignment



Consolidated Appropriations Act (CAA) of 2023

Section 5121 of the CAA, 2023 requires:

- Targeted Case Management 30 days pre-release through 30 days post-release.
- EPSDT screening and diagnostics 30 days pre-release or as soon as feasible immediately post-release (i.e., within one week).
- Applies to eligible juveniles **post-adjudication**, regardless of carceral facility.

CAA Intersection with 1115 Reentry Services Demonstration

- CAA State Plan Amendments submitted to CMS. Includes attesting to Operational Plan to enter compliance.
- The 1115 demonstration allows MI to offer coverage beyond what is mandated in the CAA.
- Beginning January 2027, CAA will be fully subsumed under the 1115 Waiver.

Implementation Approach



Anticipated phase-in of facilities over time

- Based on state-defined cohorts:
 - Juvenile Rehabilitation Centers operated by MDHHS in 2025.
 - County/Court operated juvenile detention centers & MDOC operated prisons in 2027.
 - County operated Jails in 2028.
- Based on individual facility readiness.

Phase 1 Spring 2025	Phase 2 Fall 2025	Phase 3 2026	Phase 4 Early 2027	Phase 5 Early 2028
Implementation of CAA Section 5121 services	Implementation of CAA Section 5121 Enrollment & Eligibility process automation	1115 reentry services capacity building supports, distribution, and monitoring*	Implementation of 1115 reentry services, emphasis on mandatory services	Expansion of 1115 reentry services; including county facilities & optional services

* Pending legislative support of FY2026 budget

Michigan's Progress



Completed:

- Reentry Implementation Advisory Group (IAG) established.
- State Acceptance Letter submitted 01/15/2025.
- State Plan Amendments to cover EPSDT services for post-adjudicated juveniles residing in correctional facilities, and expand Targeted Case Management for recently incarcerated individuals to be inclusive of youth submitted 03/17/2025.
- Planning Grant to Promote Continuity of Care for Medicaid and CHIP Beneficiaries Following Incarceration application submitted 04/10/2025.
- Section 1115 Reentry Implementation Plan submitted to CMS 04/24/2025 for approval.

In Process:

- 1115 capacity funding requirements, distribution, and monitoring.*
- Facility readiness assessment planning.
- Scheduling Medicaid Enterprise System changes.
- Update Medicaid Provider Manual and other policies as needed.

* Pending legislative support of FY2026 budget

Operational Development Focus Areas



Medicaid Application & Coverage Continuity

- Expand/enhance Medicaid application/continuity of coverage while in custody to:
 - Upon incarceration: ensure all individuals will be: (1) screened for and (if eligible but not enrolled) enrolled in MI Medicaid, and (2) have their limited coverage assigned, to the extent appropriate.
 - Upon nearing parole/release: ensure all eligible individuals will be able to receive additional pre-release coverage and services for up to 90 days.



Pre-release Service Delivery

- Pre-release service definitions for required and optional services, determine who can deliver, how to deliver – identify various partner roles in service delivery, and “workflows” to support service delivery while an individual remains in custody.
- Develop potential mitigation strategies for implementation challenges.



Transition Standards

- Establish transition standards to ensure continuity of care across providers, as appropriate.
- Bridging connections with managed care plans (MHPs, PIHPs, ICOs), as appropriate.



Management, Oversight & Evaluation

- Design reporting structure for participating facilities/providers.
- Explore necessary claims analysis and ancillary data needs.
- Identify evaluation partner and collaborative evaluation strategy.

Appendix

Definitions

Acronym	Definition
CHIP	Children's Health Insurance Program
CMS	Centers for Medicare and Medicaid Services
EPSDT	Early and Periodic Screening, Diagnostic and Treatment
FFP	Federal Financial Participation
FMAP	Federal Medical Assistance Percentage
FY	Fiscal Year - The State of Michigan has a fiscal year that runs from Oct. 1 – Sept. 30.
HS	Health Services - Administers Michigan Medicaid, aging programs, and behavioral health services.
MDHHS	Michigan Department of Health and Human Services
MDOC	Michigan Department of Corrections
SMDL	State Medicaid Director Letter
SPA	State Plan Amendment