

## Reentry Waiver

### Section 1115(a) Demonstration Waiver Application Summary

#### Description of the waiver application

##### Overview

Minnesota's Reentry demonstration waiver seeks to improve health outcomes, reduce deaths, decrease recidivism rates, and address related disparities for people who have been incarcerated. To achieve this, Minnesota will provide a set of Medicaid covered services in certain jails and prisons to eligible participants who are within 90-days of release.

Minnesota has a long history of innovative programs to assist people in successful transition to the community from incarceration, including comprehensive release planning services. The waiver will expand the number of people in carceral settings who receive transitional services and broaden the services provided prior to release. It is expected that providing additional services prior to release will improve beneficiary outcomes and increase engagement with needed services and supports in the community. The pre-release services focus on assessment and treatment of substance use disorder (SUD), mental health, and complex and chronic medical needs paired with case management and, if applicable, a 30-day supply of medications. The waiver will test this service design in three prisons and five jails. The waiver demonstration may be expanded to additional carceral settings if authorized by the legislature.

##### Program Design

The Reentry waiver application focuses on adults in jails and prisons. For people who meet the criteria to participate, waiver services and case management release coordination will be provided up to 90-days prior to release from incarceration. This includes development of a comprehensive service plan,

referrals to appropriate treatment and support services in the community, and transition to a community-based case manager or other healthcare provider as applicable. Post-release, participants are eligible for Minnesota's Medicaid State Plan which provides a comprehensive set of benefits. Participants may also be eligible post-release for other community-based services and supports, such as vocational services, educational programs, etc. covered by other funding.

Feedback from a broad array of partners was considered in developing the waiver application and more partner engagement is planned. The Department of Human Services (DHS) worked closely with the Minnesota Department of Corrections (DOC) and other partners in development of the waiver application.

Initially, the program will be limited to three prisons and five jails. All people in these settings will be screened for SUD, mental health, and medical conditions to determine whether they need additional assessment. Having an assessed need is one of the criteria to receive services covered by the waiver.

## **Partner Engagement**

DHS, in collaboration with DOC, will convene a working group to provide feedback on the program design and operations, including the implementation plan, service evaluation, and program monitoring. The working group will have broad representation including people with lived experience and representatives from:

- Tribal Nations
- Community health care providers
- The Minnesota Sheriffs' Association
- The Minnesota Association for County Social Service Administrators
- The Association of Minnesota Counties
- The Minnesota Juvenile Detention Association
- The Office of Addiction and Recovery
- NAMI Minnesota
- The Minnesota Association of Resources for Recovery and Chemical Health
- The Minnesota Alliance of Recovery Community Organizations.

More detailed information about the program design, the settings to be initially included, and operational processes will be provided in the implementation plan that DHS will submit to the Centers for Medicare & Medicaid Services (CMS) after receiving CMS' approval of the waiver application. This permits more engagement from the community and partners in providing feedback about the service design and operational processes.

## **Included Facilities**

State law identified the number and type of carceral settings to be included. There will be three state-run prisons, Faribault, Stillwater, and Shakopee. Men reside at the Faribault and Stillwater facilities. Women reside at the Shakopee facility. The settings were determined by DOC. There will be four locally run jails that will be identified through a competitive process determined in coordination with the Minnesota Sheriffs' Association and the Association of Minnesota Counties. In addition, there will be one jail included with an inmate census that includes a significant proportion of Tribal members or American Indians. Staff from the Office of Indian Policy at DHS have been in contact with Tribal leaders concerning the waiver application, selection of a tribal facility, and additional feedback.

The authorizing law provided for two facilities that serve delinquent children and youth to be identified and included in the waiver demonstration. Due to implementation of the juvenile reentry requirements provided under section 5121 of the Consolidated Appropriations Act of 2023 (CAA), effective January 1, 2025, DHS plans to seek legislative clarification to exclude juvenile facilities from this waiver.

## **Readiness Review**

DHS staff will conduct a readiness review of each potential carceral setting prior to people in the setting receiving services covered under the waiver. The readiness review will evaluate the setting's ability to meet the requirements of the waiver. Each setting must complete and submit a self-assessment using a tool provided by DHS. DHS staff will evaluate the setting's capacity to meet the waiver requirements. For settings determined to meet the requirements, DHS staff will conduct an on-site readiness assessment. The approved settings are referred to as demonstration settings.

## Authority

In April 2023, the U.S. Department of Health and Human Services, Centers for Medicare & Medicaid Services announced an option allowing states to provide Medicaid covered services in carceral settings under section 1115(a) of the Social Security Act<sup>1</sup>. CMS identified that expanded access to services will improve health outcomes and reduce recidivism. Without a section 1115(a) waiver, Medicaid cannot be used to cover services in carceral settings. The 2024 Minnesota legislature authorized DHS to request a waiver<sup>2</sup>. The state law provides the services to be covered, the eligible populations, the carceral settings selection process, and how public input will be sought.

## Objectives and Goals

The waiver demonstration seeks to improve transitions for people transitioning from jails and prisons to the community. The goals of the waiver support Medicaid objectives by improving health outcomes of people transitioning to the community from participating carceral settings. This will be accomplished by providing services that bridge the transition and support participants prior to and post release. Several on-going partnerships will be required to plan and operationalize this work. The state's goals are:

- Increase continuity of coverage;
- Improve access to health care services, including mental health services, physical health services, and SUD treatment services;
- Enhance coordination between Medicaid systems, health and human services systems, correctional systems, and community-based providers;
- Reduce overdoses and deaths following release;

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<sup>1</sup> [State Medicaid Directors Letter #23-003](#), issued April 17, 2023. "Opportunities to Test Transition-Related Strategies to Support Community Reentry and Improve Care Transitions for Individuals Who Are Incarcerated."

<sup>2</sup> Minnesota Statutes, [section 256B.0761](#)

- Decrease disparities in overdoses and deaths following release; and
- Maximize health and overall community reentry outcomes.

## **Benefit Set**

Eligible people may receive the following services up to 90-days prior to release based on their assessed needs.

- Case management
- Prescription drug coverage
- Substance use assessment
- Substance use disorder treatment coordination
- Peer recovery support services
- Substance use treatment
- Mental health diagnostics
- Group and individual psychotherapy
- Mental health peer specialist services
- Family planning, obstetrics and gynecology
- Physical health well-being and screenings.

## **Delivery system**

Reentry services are covered fee-for-service. In some jails and prisons, carceral staff will provide the service and the setting will be the Medicaid enrolled provider. In jails and prisons, all or some waiver services may be furnished by community providers. The flexibility of this design is necessary due to the unique nature of the settings and variation in provider capacity throughout the state. All providers serving participants must meet all state licensing and credentialing requirements and enroll as a Minnesota Medicaid provider. Following release, participants have access to the full Medicaid benefit set and may receive services from any qualified provider based on their coverage.

## Medicaid and Service Eligibility

### Medicaid Eligibility

The Medicaid eligibility groups covered under the Reentry waiver include both state mandatory and optional Medicaid eligibility groups as authorized in state law. Both groups include people in the Modified Adjusted Gross Income (MAGI) groups and those not in a MAGI group.

#### Mandatory Groups

| MAGI Groups  | Social Security Act and CFR Citations                                  | Income Level           |
|--|--|------------------------|
| Parents  | 1931; 42 CFR 435.110   | 133% FPL               |
| Pregnant people  | 1902(a)(10)(A)(III) and (IV);<br>42 CFR 35.116 and 435.170             | 278% FPL               |
| Poverty-level children   | §1902(a)(10)(A)(i) (VI), and (VII); 42<br>CFR §435.118                 | 275% FPL               |
| Former Foster Care Children<br>through age 25  | 1902(a)(10)(A)(i)(IX)42 CFR §435.150                                   | N/A                    |
| Non-MAGI Groups  |  |                        |
| Mandatory 209(b) Group for SSI<br>recipients, deemed SSI recipients,<br>recipients of state supplements,<br>disabled adult children. | 1902(f) and 1902(a)(10)(A)(ii)(I) and<br>1905(a)<br><br>42 CFR 435.121 | 100% (with disregards) |

#### Optional Groups

| MAGI Groups   | Social Security Act and CFR Citations              | Income Level |
|---|--|--------------|
| Adults without children   | 1902(a)(10)(A)(i)(VIII)<br>42 CFR 435.119          | 133% FPL     |
| Children age 19 and 20  | §1902(a)(10)(A)(ii), 1905(a)(i);<br>42 CFR 435.222 | 133% FPL     |
| Non-MAGI Groups   |  |              |
| Aged, blind, disabled qualifying for<br>SSI or optional state supplements | 1902(a)(10)(a)(ii)(I), (IX)                        | 100% FPL     |
| Disabled child age 19 and 20  | 1902(a)(10)(A)(ii)(I) and (IV); and<br>1905(a)(i)  | 100% FPL     |
| HCBS waiver group (would<br>otherwise be institutionalized)               | 1902(a)(10)(A)(ii)(VI)<br>42 CFR 435.217           | 100% FPL     |
| Reasonable classification of HCBS<br>children                             | 1902(a)(10)(A)(ii); 1905(a)(i)                     | 100% FPL     |
| Medically Needy for ABD   | 1902(a)(10)(C)                                     | 100% FPL     |

|   |  |          |
|---|--|----------|
|   | 42 CFR 435.322, 435.330                                    |          |
| Medically Needy for parents, pregnant persons, children 19 & 20 | 1902(a)(10)(C)(ii)(II)<br>42 CFR 435.301, 435.308, 435.310 | 133% FPL |

Processes to streamline the exchange of data (to carceral settings in the demonstration) about beneficiaries' Medicaid status are planned. Currently, Medicaid is suspended for people who are enrolled (in Medicaid) and in a jail or prison. For people who are not enrolled in Medicaid prior to incarceration, process improvements to streamline Medicaid applications and eligibility determinations are planned.

### Service Eligibility

People in demonstration settings will be screened for mental health, SUD, and complex and chronic medical needs. People identified through the screening as having possible service needs will be assessed. Those that meet the following criteria are eligible to receive services covered under the waiver.

- Be enrolled in or eligible for Medicaid
- Reside in a jail or prison that met DHS' readiness review criteria
- Be within 90-days of release
- Have a qualifying condition as defined in the following Clinical and Health Criteria table.

### Clinical and Health Criteria

| Qualifying Condition  | Definition   |
|-----------------------|--|
| <b>Mental Illness</b> | An individual who is currently receiving mental health services or medications AND meets both of the following criteria:<br>1) The individual has one or both of the following:<br>a) Significant impairment, where impairment is defined as distress, disability, or dysfunction in social, occupational, or other important activities; AND/OR |

|   |   |
|---|---|
|   | <p>b) A reasonable probability of significant deterioration in an important area of life functioning.</p> <p>2) The individual’s condition as described in paragraph (1) is due to a diagnosed mental health disorder, according to the criteria of the current editions of the Diagnostic and Statistical Manual of Mental Disorders and the International Statistical Classification of Diseases and Related Health Problems.</p>   |
| <p><b>Substance Use Disorder (SUD)</b></p>                                    | <p>An individual who either:</p> <p>1) Meets SUD criteria, according to the criteria of the current editions of the Diagnostic and/or Statistical Manual of Mental Disorders and/or the International Statistical Classification of Diseases and Related Health Problems; OR</p> <p>2) Has a suspected SUD diagnosis that is currently being assessed through either National Institute of Drug Abuse (NIDA)-modified Alcohol, Smoking and Substance Involvement Screening Test (ASSIST), American Society of Addiction Medicine (ASAM) criteria, or other state approved screening tool.</p>   |
| <p><b>Chronic Condition or Significant Non-Chronic Clinical Condition</b></p> | <p>An individual with a chronic condition or a significant non-chronic clinical condition shall have ongoing and frequent medical needs that require treatment and can include one of the following diagnoses, as indicated by the individual, and may be receiving treatment for the condition, as indicated:</p> <p>1) Active respiratory conditions (examples include chronic obstructive pulmonary disease, emphysema, and others)</p> <p>2) Diabetes (Type 1 and 2; including any diabetes-related complications like retinopathy or renal disease)</p> <p>3) Cardiovascular disease (examples include high blood pressure, heart disease, high cholesterol, stroke, those with a history of heart failure or heart attack)</p> <p>4) Communicable disease (ex. hepatitis, human immunodeficiency virus, tuberculosis, sexually transmitted illnesses, coronavirus and others)</p> |



|                               |  |
|-------------------------------|--|
|                               | <ul style="list-style-type: none"> <li>5) Active cancer</li> <li>6) Advanced liver and/or renal disease</li> <li>7) Severe chronic pain</li> <li>8) Gender-affirming healthcare</li> </ul> |
| <b>Pregnant or Postpartum</b> | A person who is pregnant or postpartum is a person who is either currently pregnant or within the 6-8 weeks postpartum period following the end of the pregnancy.                          |

Individuals who meet the service eligibility criteria are eligible for the services covered under the waiver. The state intends to expand the health and clinical criteria following implementation as informed by monitoring and evaluation data.

There are no enrollment limits for people who meet the criteria to receive waiver services.

### Cost-sharing

No cost sharing applies for services delivered in carceral facilities under this demonstration waiver.

### Budget and expenditures

The state is requesting the hypothetical budget neutrality model be used for the Reentry waiver. Demonstration year (DY) 1 is from January 1, 2026 through December 31, 2026. Only cost and member months prior to release are included. There will be two Medicaid Expenditure Groups (MEG). MEG 1 provides the projected number of enrollee service months and per member per month costs for participants in prisons. MEG 2 provides the projected number of enrollee months and per member per month costs for participants in jails.

#### Projections for MEG 1, State Prisons

| MEG 1              | DY1         | DY2         | DY3         | DY4         | DY5         |
|--------------------|-------------|-------------|-------------|-------------|-------------|
| Enrollee Months    | 2,742       | 2,742       | 5,346       | 5,346       | 5,346       |
| PMPM Costs         | \$1,349     | \$1,389     | \$1,431     | \$1,474     | \$1,518     |
| Total Expenditures | \$3,699,284 | \$3,810,256 | \$7,651,623 | \$7,881,180 | \$8,117,634 |

### Projections for MEG 2, Local Jails

| MEG 2              | DY1         | DY2          | DY3          | DY4          | DY5          |
|--------------------|-------------|--------------|--------------|--------------|--------------|
| Enrollee Months    | 5,154       | 10,308       | 16,752       | 23,196       | 23,196       |
| PMPM Costs         | \$1,011     | \$1,042      | \$1,073      | \$1,105      | \$1,138      |
| Total Expenditures | \$5,215,020 | \$10,742,895 | \$17,982,602 | \$25,646,889 | \$26,416,301 |

### Projections for MEGs 1 and 2 Combined

| Combined           | DY1         | DY2          | DY3          | DY4          | DY5          |
|--------------------|-------------|--------------|--------------|--------------|--------------|
| Enrollee Months    | 7,896       | 13,050       | 22,098       | 28,542       | 28,542       |
| PMPM Costs         | \$1,128     | \$1,115      | \$1,160      | \$1,174      | \$1,209      |
| Total Expenditures | \$8,914,304 | \$14,553,150 | \$25,634,225 | \$33,528,069 | \$34,533,934 |

### Hypothesis and evaluation plan

The following table lists the hypotheses being tested by the Reentry waiver, includes the primary goal for each, and possible measures that could be used for evaluation. The state is required to develop and submit an independent evaluation plan to CMS after the waiver is approved.

| Hypotheses  | Primary Goal  | Potential Measures   |
|---|---|--|
| By enrolling people in Medicaid during incarceration, the waiver will increase participation in and use of Medicaid services after release. | Access to medical coverage before release.                        | <ul style="list-style-type: none"> <li>Medicaid enrollment and renewals</li> </ul>   |
| By standardizing care transitions to the community, the waiver will lead to more consistent follow-up care in the community.                | Enhanced reentry care coordination, and community-based services. | <ul style="list-style-type: none"> <li>Care coordination and case management claims, especially those with complex conditions and those with high risk of recidivism</li> <li>Consistency of treatment claims within diagnosis post-release</li> <li>Disaggregate data for equity impacts</li> </ul> |
| Coordinating access to community-based chemical health treatment and supports will reduce overdoses.  | Reduction in overdose and deaths following release.               | <ul style="list-style-type: none"> <li>Non-fatal overdoses</li> <li>Fatal overdoses</li> <li>Emergency room or inpatient Medicaid claims</li> </ul>  |

## Waiver and expenditure authorities

Under the authority of section 1115(a)(1) of the Social Security Act (the Act), the following waivers of state plan requirements contained in section 1902(a) of the Act are requested.

| Title XIX Sections Waived | Requirement   | Reason   |
|---------------------------|---|--|
| 1902(a)(1)                | Statewideness   | 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 implementation plan.                                   |
| 1902(a)(10)(B)            | Amount, Duration, and Scope of Services and Comparability | To enable the state to provide only a limited set of pre-release services to qualifying individuals that is different than the benefits available to Medicaid beneficiaries in the same eligibility category who are not incarcerated. |
| 1902(a)(23)(A)            | Freedom of Choice   | To enable the state to require qualifying individuals to receive pre-release services, as authorized under this demonstration, through only certain providers.   |

## Public comment period

The state's 30-day public comment period is from November 25, 2024 to December 26, 2024. DHS invites public comment on the proposed Reentry waiver application. Comments must be received by December 26, 2024. Comments must be submitted in writing to DHS or may be shared with DHS at public hearings. All comments received during the public comment period will be addressed and included in the waiver application that is expected to be submitted to CMS in January 2025.

## Written Comments

To submit comments electronically, email [Section1115WaiverComments@state.mn.us](mailto:Section1115WaiverComments@state.mn.us). To support making comments available to people who use screen readers, DHS requests comments be submitted in Microsoft Word format or incorporated within the email text. If you would also like to provide a signed copy of a comment letter, you may submit a second copy in Adobe PDF format. To meet state accessibility requirements for posting, comments provided on paper or in an electronic format may be reformatted. The original formatting and content will be maintained to the fullest extent possible. For example, if graphics or tables are included, a description that can be read will be added.

Paper copies of the Reentry waiver application are available by request. To request a copy be mailed or to pick up a copy, email your request to [Section1115WaiverComments@state.mn.us](mailto:Section1115WaiverComments@state.mn.us). To submit comments by mail or to request a paper copy of the Reentry application, mail your request to:

Minnesota Department of Human Services  
Federal Relations – Medicaid 1115 Waiver  
P.O. Box 64967  
Saint Paul, MN 55164-0967

### **Hearings**

DHS will hold two public hearings to provide partners and other interested persons the opportunity to comment directly to DHS. Comments and feedback may be audio recorded. A summary of all comments and feedback received and DHS' responses will be shared publicly as part of the waiver application.

#### ***First Hearing – In-person***

If you would like to attend the in-person hearing, please send an email to [Section1115WaiverComments@state.mn.us](mailto:Section1115WaiverComments@state.mn.us). Your email assures sufficient room capacity and record of participation.

DATE: Tuesday, December 10, 2024

TIME: 3:30 – 4:30 p.m. CST

LOCATION: Minnesota Department of Human Services

Elmer L. Anderson Human Services Building, Room 2370

540 Cedar Street

St. Paul, MN 55101

#### ***Second Hearing – Video conference***

If you would like to attend the video conference, please see the [Federal health care waivers with public hearings and comments / Minnesota Department of Human Services](#) webpage for the link to the hearing or email [Section1115WaiverComments@state.mn.us](mailto:Section1115WaiverComments@state.mn.us) and we will send you the link.

DATE: Wednesday, December 11, 2024

TIME: 9:30 – 10:30 a.m. CST

LOCATION: WebEx (video conference)

**Federal Comment Period**

CMS may also hold a federal comment period following DHS' submission of a complete Reentry waiver application. At that time, you may submit comments directly to CMS by going to

[www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/index.html](http://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/index.html) and entering Minnesota in the search box.