

# Maximizing Impact: Implementing CMS 1115 Reentry Waivers with Public Consulting Group

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## The Opportunity

The Centers for Medicare & Medicaid Services (CMS) released guidance in 2023 encouraging states to design and test reentry services for individuals transitioning from incarceration. CMS 1115 waivers allow states to test new Medicaid approaches to improve healthcare coverage and access for vulnerable populations, including those transitioning from incarceration. The CMS issued guidance included information for designing demonstration projects under section 1115 of the Social Security Act to improve care transitions for individuals who are about to be released from public institutions and are eligible for Medicaid. These demonstrations will test innovative approaches to coverage and quality to improve care transitions, starting pre-release, for individuals who are incarcerated, thereby facilitating improved continuity of care once the individual is released. The guidance also permits states to remove the Medicaid Inmate Exclusion Policy (MIEP), enabling carceral facilities to bill Medicaid for medical services, which alleviates budget constraints and improves access to care. This change supports better post-release care planning for individuals transitioning from incarceration.

**Public Consulting Group (PCG) provides third party administration services, technical assistance, and implementation support in California**, the first state in the nation to implement a reentry waiver to develop and test pre-release services for individuals transitioning from incarceration.

The services commonly offered under 1115 reentry waivers are designed to address the barriers and risks faced by individuals leaving incarceration. Under these waivers, individuals who are incarcerated can receive a selection of pre-release services for a specific amount of time prior to their release. Common pre-release services include:

- ✔ Housing services (e.g., tenancy supports)
- ✔ Case management and peer support services
- ✔ Medication-Assisted Treatment (MAT) and counseling
- ✔ Community Health Worker (CHW) services
- ✔ Physical and behavioral health services
- ✔ Preventative and screening services
- ✔ Durable Medical Equipment (DME) provision
- ✔ Sexual and reproductive health services
- ✔ Hepatitis C treatment

Reentry waivers provide multiple benefits to the individual, state, and overall continuum of care, including:

### Improving Health Outcomes

- **Access to Care:** By facilitating Medicaid eligibility for individuals reentering society, these waivers enhance access to essential healthcare services, including mental health and substance use disorder (SUD) treatment, which are critical for reducing recidivism.
- **Continuity of Care:** Waivers support programs that ensure a seamless transition of care from incarceration to community health services, reducing gaps that often lead to poor health outcomes.

### Reducing Recidivism

- **Integrated Services:** Implementing comprehensive health and social services can address the root causes of involvement with the justice system. For instance, providing access to treatment for addiction or mental health issues has been shown to lower the likelihood of reoffending.
- **Community Reintegration:** Programs funded through these waivers can assist individuals in finding stable housing, employment, and social support, which are crucial for successful reintegration.

### Enhancing Community Support

- **Engagement with Local Organizations:** Waivers encourage collaboration with community-based organizations, fostering a holistic approach to reentry that includes education, job training, and social services.
- **Strengthening Local Economies:** By reducing recidivism and supporting employment initiatives, these waivers can contribute to economic stability within communities, benefiting both individuals and society as a whole.

### Maximizing Federal Dollars

- **Increasing Access to Services:** Providing access to Medicaid services during the reentry period increases the likelihood of finding employment, utilizing healthcare services, and reducing the chances of returning to incarceration. For example, studies have shown that individuals with Medicaid coverage during reentry are 70% more likely to find and retain employment, and those with access to healthcare services are 50% more likely to utilize preventative care.

## The Evidence

The United States leads the world in its proportion of incarcerated individuals, with a prison population of over [1.2 million](#) individuals in 2022. People of color are overrepresented in carceral settings, facing rates of incarceration that are up to [five times higher](#) than those of white people due to systemic inequalities. Pre-release services are one crucial way for states can address structural racism, as well as the staggering public health disparities faced by incarcerated individuals.

There are strong correlations between incarceration and premature death, as well as higher rates physical, behavioral, and mental health conditions.

- [44%](#) of people who are incarcerated in jails have a history of mental illness
- [33%](#) of sentenced jail inmates meet the criteria for drug dependence
- [80%](#) of people who are returning to the community after incarceration have a chronic medical, psychiatric, or substance use disorder

People returning to communities after incarceration face significant barriers, particularly regarding health outcomes, mental and behavioral health, and substance use disorders. The time immediately after being released from incarceration is particularly high-risk; studies have found that individuals being released from incarceration can be up to 129 times more likely to die from an overdose than the general public. Individuals returning to the community also face barriers and stigma that make successful reintegration difficult, and that make risk for re-engagement with the justice system high.

## Implementation Challenges & Solutions

PCG's experience in supporting the first state in the nation to implement a reentry waiver program—and one of the largest and most complex—has equipped us to identify and navigate roadblocks effectively. Although each state is different in terms of the challenges it may face and identifying the associated solutions to address those challenges with their 1115 Reentry Waivers, we have identified three key areas in which states will undoubtedly need support for a successful implementation of these services:

### People

#### Challenges

- States, carceral facilities, and justice system partners need new skills and knowledge. With reentry waivers, for the first time in the United States, jail and prison health care is seen as part of the larger health care ecosystem.
- There are needs for new relationships that have not existed between entities such as Health-Related Social Needs (HRSN) providers, managed care plans (MCPs), and carceral facilities.
- There is often limited staffing capacity in both justice involved agencies and at the state to manage the program complexities required.
- Unlike their counterparts in public health care or community supports, carceral facility staff have not been recruited for pre-release mental health and health care service provision. There is a skill gap that needs to be filled during implementation.
- There are challenges with change management in carceral facilities and justice system partners, including willingness and readiness to change.

#### Solutions

- Work hand-in-hand with states and local stakeholders to ensure consensus, feedback, and proactive engagement and collaboration. This should not just be done once, but on an on-going basis to ensure issues are identified early and solutions are practical.
- Provide technical assistance (TA) to stakeholders as they work through the implementation process.
- Determine the need for supporting carceral settings with funding to support capacity building and process implementation.

### Process

#### Challenges

- Many jail health providers do not have infrastructure or business processes to bill Medicaid and facilitate wrap around service delivery. The people tasked with administering these changes must navigate translating complex Medicaid process requirements into their organization's operations.
- The policy framework is often being built as the services are being implemented and there are many questions and gaps identified by providers who have traditionally never provided medical services within carceral settings. As such, there is a need to identify a common space for agencies to process new policies, ask questions and give feedback.
- Often the reentry policy took many years to develop, but the implementation is on a short and direct timeframe. The rapid changes necessary to meet reentry waiver requirements can be a challenge for some agencies starting at different stages of prior service provision.

### Solutions

- Design re-entry programs with an iterative approach. Consider starting with a few pilot agencies to identify and address process pain points. Build in reflection and review points to ensure modifications and adaptations can be made proactively.
- Encourage phased implementation that ensures agencies gain familiarity with foundational Medicaid processes and establish appropriate workflows before they launch services.
- Develop accessible, practitioner-focused implementation roadmaps, and tools that break down requirements, key decisions, and process needs at various phases of service roll-out. Incorporate feedback from stakeholders to enhance these resources on a regular basis.

### Technology

#### Challenges

- In order to communicate across multiple agencies to support integrated health care services for justice-involved individuals, the technology assets require the ability to manage health care information. Carceral facilities historically do not have the technology or expertise needed for pre-release service implementation.
- Complex technology systems that require identification, implementation, and training are necessary for the carceral facilities to participate in the screening process.
- There is a need for bi-directional data exchange, data sharing, and billing and referral systems between carceral facilities, justice system partners, MCPs, and Medicaid agencies.

#### Solutions

- Support and elevate carceral settings and justice system partners as leaders in identifying standard data collection, reporting, and program evaluation needs and the technology required to support the new services being implemented under the reentry waiver.
- Provide funding to support development and / or enhancement of data exchanges.
- Set up regional learning collaboratives specifically focused on technology sharing solutions to build strong partnerships between local stakeholders, health care providers, justice system partners, carceral facilities, and community organizations to ensure coordinated support for program sustainability.

PCG, one of the largest firms in the nation devoted to delivering innovative, cost-effective solutions and to government agencies, is supporting state and local leaders implementing new reentry services for individuals transitioning from incarceration. We are uniquely positioned to assist agencies in **designing and implementing 1115 waivers** for justice-involved individuals, as we are currently providing third party administration services for an 1115 demonstration waiver for California's Department of Health Care Services. PCG's team is experienced across nearly every aspect of the 1115 reentry waiver continuum, from project and program management to stakeholder engagement to conducting research and analysis to help states develop programs and services that prioritize the health and well-being of people who are incarcerated. Through this 1115 demonstration waiver, California has received **first in the nation** approval to authorize select Medicaid services for eligible justice-involved individuals in the 90-day period prior to release from incarceration in prisons, county jails and youth correctional facilities.

## About PCG

Public Consulting Group LLC (PCG) is a leading public sector solutions implementation and operations improvement firm that partners with health, education, and human services agencies to improve lives. Founded in 1986, PCG employs approximately 2,000 professionals throughout the U.S.-all committed to delivering solutions that change lives for the better. The firm is a member of a family of companies with experience in all 50 states, in Canada, and in Europe. PCG offers clients a multidisciplinary approach to meet challenges, pursue opportunities, and serve constituents across the public sector. To learn more, visit [www.publicconsultinggroup.com](http://www.publicconsultinggroup.com).

## About the Authors

**Christine Newhall** is an associate manager with over twenty years of experience managing in complex environments including state government and academic medical centers, as well as Board of Director experience at non-profit organizations. In addition to serving as the project director for the California Providing Access and Transforming Health's (PATH) Program where she oversees the implementation of the State's 1115 waiver through four distinct streams of work including Justice Involved Capacity Building, she has also led engagements across the country in a vast array of health and human services programs with a focus on aging and disability services, strategic planning, public health, vocational rehabilitation, early childhood programming and transportation. Contact Christine at [cnewhall@pcgus.com](mailto:cnewhall@pcgus.com)

**Julia Kessler** is a Senior Consultant with 11 years experience as a grants administration program manager. Julia is a Criminologist and has developed policy and programming to enhance the lives of Justice Involved populations at the Federal, State, and local levels. Julia joined PCG in October 2022 and is currently the Program Manager for California Providing Access and Transforming Health's (PATH) Justice Involved Capacity Building Program where she leverages her policy subject matter expertise and program management experience to help California award over \$400M in funding to eligible agencies throughout the state.

**Katie Thomas** is a senior consultant with eight years of professional experience working within the mental health and criminal justice systems in multiple states. Driven by her passion for assisting individuals in navigating the criminal justice and mental health systems, her prior experience includes providing oversight and quality management. As a senior consultant her work is centered on providing access to quality mental health and substance use services to justice-involved people.

**Shannon Weaver** is a senior consultant with six years of experience supporting nonprofit, state, local, and federal clients with project management, grants management, strategy, and operational needs related to a variety of health and human services programs. Ms. Weaver's work is centered on supporting agencies and programs to engage stakeholders, develop implementation tools and processes, monitor and oversee financial performance, and establish continuous quality improvement initiatives as they refine and expand their programs.

**To learn more about transforming your state's approach to your 1115 reentry waiver, contact us today.**



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