

**Public Notice - Reentry Services Section 1115 Demonstration
Waiver Application**

State of Nevada

Department of Health and Human Services (DHHS)

Division of Health Care Financing and Policy (DHCFP)



October 24, 2024

Purpose

To provide notice of DHCFP's intent to submit a Section 1115 Demonstration request to the federal Centers for Medicare & Medicaid Services (CMS) to provide a targeted set of Medicaid services to individuals transitioning from incarceration in the period prior to their release, and to request feedback on the Section 1115 Demonstration proposal described in this notice.

Background and Program Description

As required under Nevada Assembly Bill (AB) 389 passed in June 2023, DHCFP, the Medicaid division within the Nevada Department of Health and Human Services (DHHS), is seeking a five-year Section 1115 demonstration from CMS to improve care for adults and youth transitioning from correctional facilities into the community. 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. Nevada'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," released April 17, 2023.

Specifically, Nevada is seeking authority to provide a set of targeted Medicaid services to eligible justice-involved populations within the 90-day period prior to their expected release. These services would include case management, medication-assisted treatment (MAT) as clinically appropriate, 30-day supply of all prescription medications in hand upon release, and other specific pre-release services to assist in improving care transitions for incarcerated individuals. Starting in October 2025, the State intends to implement the Demonstration statewide with a phased approach, beginning with state prisons, and all state-operated youth correctional facilities, county-operated juvenile detention centers or youth camp state prisons in Phase 1, and county-operated jails that opt-in in Phase 2. To support implementation of the initiative, Nevada is requesting \$19.5 million total computable in capacity building funds.

Goals and Objectives

As described above, DHCFP seeks to support successful reentry of, and improve care transitions for, adults and youth transitioning from incarceration to their community by providing a targeted set of Medicaid services to eligible individuals during the period prior to their release. By bridging relationships between community-based Medicaid providers and justice-involved populations prior to release, Nevada intends to improve health outcomes for individuals with a history of substance use, mental illness, and/or chronic disease by increasing access to stable and continuous care. Consistent with the CMS goals as outlined in the CMS SMD, Nevada'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; and,
6. **Reduce number of ED visits and inpatient hospitalizations** among recently incarcerated Medicaid beneficiaries through increased receipt of preventive and routine physical and behavioral health care.

Eligibility, Cost Sharing, Delivery Systems and Benefits

Eligible Populations

Individuals eligible to participate in the proposed Reentry Demonstration will include Medicaid eligible adults with specified health conditions, Medicaid/CHIP eligible youth under 21 and former foster youth under 26, who are incarcerated in state prison, local county jails, or juvenile facilities, and are expected to be released into the community within 90 days. Services will be available to incarcerated individuals who are both pre- and post-adjudication.

More specifically, eligible individuals must be:

- Medicaid (MAGI and non-MAGI) eligible adults who have been diagnosed with a mental illness, substance use disorder, chronic disease (or other significant disease), an intellectual or developmental disability, traumatic brain injury, or HIV, or who are pregnant or up to 12 months postpartum.
- Medicaid/CHIP eligible youth under 21 years of age. Youth under 21 are not required to meet the additional behavioral health/chronic conditions criteria outlined for adults.
- Former foster youth, under 26 years of age. Former foster youth under 26 are not required to meet the additional behavioral health/chronic conditions criteria outlined for adults.

Medicaid members will qualify for services outlined in this Demonstration based upon their medical need for services and Medicaid member eligibility requirements will not be affected by this Demonstration. See Table 1 below for more information on impacted Medicaid and CHIP eligibility groups.

Table 1. Eligibility Chart

Eligibility Group Name	Social Security Act and CFR Citations	Income Level
Aged and Disabled	42 CFR 435.120, 42 CFR 435.122, 42 CFR 435.130, 42 CFR 435.132 – 42 CFR 435.134, 42 CFR 435.211 435.138	Below SSI level
Adults 19-64	42 CFR 435.119	At or below 138% of FPL
Children under 19	42 CFR 435.118 42 CFR 457.320	At or below 138 for Medicaid At or below 205% FPL for CHIP
Pregnant women and 12 months postpartum	42 CFR 435.116 Social Security Act 1903(v)(4) and 2107(e)(1)(N)	At or below 190% FPL
Parents and other caretaker relatives	42 CFR 435.110	At or below 138% FPL
Former foster care youth under 26	42 CFR 435.150	NOT APPLICABLE
Foster care children	42 CFR 435.145	NOT APPLICABLE

Eligible Facilities

Nevada intends to implement the Demonstration statewide with a phased approach, beginning with state prisons, and all state-operated youth correctional facilities, county-operated juvenile detention centers or youth camp state prisons in Phase 1, and county-operated jails that opt-in in Phase 2.

Cost Sharing

There are no changes to cost sharing proposed under this Demonstration. Cost sharing under this demonstration is consistent with the provisions of the approved state plan.

Delivery System

There are no changes to Nevada’s delivery system proposed under this Demonstration. At this time, Nevada is exploring whether to deliver pre-release services on a fee-for-service basis during the pre-release period. If Nevada elects to provide some, or all, services through managed care it will memorialize this decision in its Implementation Plan.

Benefits

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

- **Case management:** under which embedded correctional facility staff care managers or in-reach care managers 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)** in combination with counseling/behavioral therapies, as clinically appropriate.
- **30-day Supply of all Prescription Medications** in hand at point of release, consistent with Medicaid and CHIP State Plan coverage.

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

- **Physical and behavioral health clinical consultation services** (e.g., physical, behavioral health, and dental screening and diagnoses)
- **Prescription medications and medication administration during pre-release period**
- **Laboratory and radiology services**
- **Services of a Community health worker** (post-release education and training related to patient self-management of health conditions)

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

Enrollment and Expenditures

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 Reentry Initiative Impacts

	Estimated Number of Individuals Affected by Justice-Involved Reentry Initiative				
	DY 1	DY 2	DY 3	DY 4	DY 5
	10/1/2025 – 9/30/2026	10/1/2026-9/30/2027	10/1/2027-9/30/2028	10/1/2028-9/30/2029	10/1/2029 - 9/30/2030
Justice-Involved Individuals	585	2,924	5,849	8,773	11,697

Expenditures

Nevada is seeking \$85.51 dollars over the five-year Demonstration period. Table 3 provides a summary of annual projected computable expenditures under the Reentry Services Demonstration.

Table 3: Projected Computable Expenditures Under the Reentry Services Demonstration

	Projected Total Computable Expenditures				
	DY 1	DY 2	DY 3	DY 4	DY 5
	10/1/2025 – 9/30/2026	10/1/2026- 9/30/2027	10/1/2027- 9/30/2028	10/1/2028- 9/30/2029	10/1/2029 - 9/30/2030
Justice-Involved Reentry Services	\$1.12 million	\$5.88 million	\$12.35 million	\$19.44 million	\$27.22 million
Justice-Involved Capacity Building Funds	\$9.9 million	\$5.4 million	\$2.9 million	\$1.15 million	\$150,000

Budget Neutrality

The Demonstration is expected to be budget neutral as evaluated by CMS. Budget neutrality will align with the projected expenditures for the Reentry Demonstration as described above in Table 3. Nevada will continue to work with CMS to confirm and finalize budget neutrality during the demonstration negotiation and approval process.

Hypotheses and Evaluation Parameters

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

Table 4. Proposed Evaluation Hypotheses, Approach, and Data Sources

Hypotheses	Evaluation Questions	Data Sources
The demonstration will result in increases in Medicaid and CHIP enrollment of individuals not previously covered and thereby increase coverage and service utilization among individuals who re-enter the community after a period of incarceration.	<ul style="list-style-type: none"> Does the Demonstration result in increased Medicaid and CHIP enrollment rates among individuals leaving incarceration? 	<ul style="list-style-type: none"> Medicaid and CHIP enrollment data through eligibility and enrollment system
The demonstration will result in increased access to physical and behavioral	<ul style="list-style-type: none"> Does the Demonstration increase the number of individuals leaving 	<ul style="list-style-type: none"> Claims data Interviews or focus groups with providers and

Hypotheses	Evaluation Questions	Data Sources
<p>health services in the pre- and post-release period and improve health outcomes.</p>	<p>incarceration that receive physical health services within one/three/and six months from release?</p> <ul style="list-style-type: none"> • Does the Demonstration increase the percentage of individuals leaving incarceration that have continuity in their prescription drugs filled within one/three/and six months from release? • Does the Demonstration increase the percentage of individuals receiving behavioral health services within one/three/and six months from release? • Does the Demonstration results in reductions in emergency department and inpatient hospital visits among those released from incarceration? 	<p>individuals with lived experience</p>
<p>The demonstration will result in fewer ED visits and fewer inpatient hospitalizations.</p>	<ul style="list-style-type: none"> • Does the Demonstration results in reductions in emergency department and inpatient hospital visits among those released from incarceration? • Does the Demonstration increase the use of community-based SMI/SUD services? 	<ul style="list-style-type: none"> • Claims data • Interviews or focus groups

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

Waiver and Expenditure Authorities

DHCFP is requesting the following waiver and expenditure authorities.

Table 5. Requested Waiver Authorities

Waiver Authority	Use for Authority
Statewideness: <i>Section 1902(a)(1)</i>	To enable the state to make pre-release services available, as described in this application, to qualifying beneficiaries on a geographically limited basis.
Freedom of Choice: <i>Section 1902(a)(23)(A)</i>	To enable the state to offer qualifying beneficiaries pre-release services, as described in this application, through only certain providers.
Amount, Duration, and Scope of Services: <i>Section 1902(a)(10)(B)</i> Comparability: <i>Section 1902(a)(17)</i>	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.

Table 6. Proposed Title XIX Expenditure Authorities

Title XIX Expenditure Authority	Use for Authority
Expenditures for Related to Pre-Release Services	Expenditures for pre-release services, as described in this application, provided to qualifying Medicaid beneficiaries 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 7. Proposed Title XXI Expenditure Authorities

Title XIX Expenditure Authority	Use for Authority
Expenditures for Related to 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, state and/or local juvenile facility, and county jail.

Public Notice & Comment

DHCFP intends to host two public workshops on **Wednesday, November 6.** and **Wednesday November 13, 2024.** For more information, the public notice and information for public workshops on this waiver are posted online at <http://dhcfp.nv.gov>, [https://dhcfp.nv.gov/Pgms/Waivers/Reentry Initiative/](https://dhcfp.nv.gov/Pgms/Waivers/Reentry_Initiative/), and <http://notice.nv.gov>, as well as Carson City, Las Vegas, Elko, and Reno central offices for DHCFP. DHCFP will also post a finalized draft waiver application online, including a summary of public comments received, once available at <http://dhcfp.nv.gov> and [https://dhcfp.nv.gov/Pgms/Waivers/Reentry Initiative/](https://dhcfp.nv.gov/Pgms/Waivers/Reentry_Initiative/)

Public Workshop/Hearing #1
Wednesday, November 6
1:00pm PT
DHCFP Reno District Office: 745 W. Moana Lane Suite 200, Reno, NV 89509 https://teams.microsoft.com/meetingOptions/?organizerId=b5ab8d62-be8c-4cea-aaf6-eb7de8c1b391&tenantId=e4a340e6-b89e-4e68-8eaa-1544d2703980&threadId=19_meeting_ZDQ3YzgxNTMtNTUxYS00MjVmLTk4YTItNDQxNGNhYzE2MzY2@thread.v2&messageId=0&language=en-US

Public Workshop/Hearing #2
Wednesday, November 13
9:00am PT
DHCFP Las Vegas District Office: 1210 S. Valley View Suite 104, Las Vegas, NV 89102 https://teams.microsoft.com/meetingOptions/?organizerId=b5ab8d62-be8c-4cea-aaf6-eb7de8c1b391&tenantId=e4a340e6-b89e-4e68-8eaa-1544d2703980&threadId=19_meeting_Y2UxMDBkYzktYzdjOS00NjNmLWExNjgtZTIhZWl3YWZiNWVi@thread.v2&messageId=0&language=en-US

DHCFP will also accept written public comments until **Sunday, November 24, 2024.** Written comments may be sent via email to: 1115waivers@dhcfp.nv.gov. Please include “Section 1115

Reentry Services Demonstration” in the subject line. Additionally, comments may be mailed to DHCFP at 4070 Silver Sage, Carson City, Nevada 89701.

If you require a physical copy of supporting material for the public meeting, please contact, or at 4070 Silver Sage, Carson City, Nevada 89701. Supporting material will also be posted online as referenced above.

Note: We are pleased to make reasonable accommodations for members of the public with a disability that wish to participate. If accommodated arrangements are necessary, notify DHCFP as soon as possible and at least ten days in advance of the meeting, by e-mail at 1115waivers@dhcfp.nv.gov or in writing, at 4070 Silver Sage, Carson City, Nevada 89701.