



CMS NEWS

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HHS Releases New Guidance to Encourage States to Apply for New Medicaid Reentry Section 1115 Demonstration Opportunity to Increase Health Care for People Leaving Carceral Facilities

New guidance can help people at high risk of substance use disorders and other health conditions get the care they need, especially as they transition from incarceration back to the community.

The U.S. Department of Health and Human Services (HHS), through the Centers for Medicare & Medicaid Services (CMS), is announcing a new opportunity for states to help increase care for individuals who are incarcerated in the period immediately prior to their release to help them succeed and thrive during reentry. The new Medicaid Reentry Section 1115 Demonstration Opportunity would allow state Medicaid programs to cover services that address various health concerns, including substance use disorders and other chronic health conditions.

“The Biden-Harris Administration has made expanding access to high-quality, affordable health care a top priority,” said HHS Secretary Xavier Becerra. “We are committed to ensuring all Americans have the peace of mind they deserve knowing they have access to life-saving health care, whether it is medication-assisted treatment for substance use disorders or prescription medication to treat other chronic health conditions. Through this historic new effort, we are working to ensure that people who were formerly incarcerated can transition successfully back into the community with the health care supports and services they need. This is an essential step for advancing health equity in our nation and we encourage all states to take advantage of this new opportunity.”

“Today, we reach a significant milestone in expanding access to health care in the Medicaid program,” said CMS Administrator Chiquita Brooks-LaSure. “This guidance outlines a pathway to implement historic changes for individuals who are incarcerated and eligible for Medicaid. By improving care and coordination prior to release from the justice system, we can help build a bridge back to the community and enhance individual and collective public health and public safety outcomes.”

The goal of this demonstration opportunity is to help Medicaid enrollees establish connections to community providers to better ensure their health care needs are met during their reentry process. In January, [California](#) became the first state to cover certain health care services for individuals transitioning back to the community. CMS’ action today builds on priorities established by the [Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities \(SUPPORT\) Act](#), and supports President Biden’s comprehensive, evidenced based public safety strategy, the [Safer America Plan](#), as well as the President’s [Unity Agenda](#) to address the mental health crisis and the opioid epidemic.

The Medicaid Reentry Section 1115 Demonstration Opportunity will allow states to cover a package of pre-release services for up to 90 days prior to the individual’s expected release date that could not otherwise be covered by Medicaid due to a longstanding statutory exclusion that prohibits Medicaid payment for most services provided to most people in the care of a state or county carceral facility.

According to the U.S. Department of Justice, from 2011 to 2012, [approximately 37 percent](#) of people in state/federal prisons and 44 percent of people who were incarcerated overall had a history of mental illness. The National Institute on Drug Abuse (NIDA) estimates that the rate of substance use disorders for people who are incarcerated may be as high as [65 percent](#). The NIDA report also says that, without treatment, individuals formerly incarcerated are at increased risk of overdose within the first few weeks of reentry.

The Medicaid Reentry Section 1115 Demonstration Opportunity focuses on covering high quality services for individuals who are incarcerated, eligible for Medicaid, and returning home to their communities – a group of individuals who have been historically underserved and adversely affected by persistent poverty and inequality. Improving health care transitions and addressing social determinants of health – from case management to medication-assisted treatment – for individuals after they have been released from carceral settings increases the likelihood that they may continue to receive crucial substance-use disorder, mental health, and other health care treatment during this vital period. It also holds promise for reducing emergency department visits, inpatient hospital admissions, overdose, and overdose-related issues, including death, and improving health outcomes overall. Moreover, addressing people’s underlying health needs enhances their ability to succeed and thrive during reentry, thereby lowering the risk of recidivism, helping make our communities healthier and safer.

In addition to increased health and well-being and saving lives, the demonstration aims to accomplish several other essential goals, including improving coordination and communication between correctional systems, Medicaid systems, managed care plans, and community-based providers, as well as increasing investments in health care and related services.

To learn more, read the complete State Medicaid Direct Letter on [Medicaid.gov](https://www.Medicaid.gov).

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