TEAM KENTUCKY®

CABINET FOR HEALTH AND FAMILY SERVICES

Kentucky Department for Medicaid Services

Section 1115 Reentry Demonstration

December 30, 2023

Andy Beshear
GOVERNOR

CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR MEDICAID SERVICES
275 East Main Street, 6-WA
Frankfort, Kentucky 40621
chfs.ky.gov

Eric Friedlander
SECRETARY

Lisa Lee
COMMISSIONER

December 30, 2023

Secretary Xavier Becerra
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington. D.C. 20201

Re: Kentucky Reentry Waiver

Dear Secretary Becerra:

The Kentucky Department for Medicaid Services (DMS) is pleased to submit the enclosed application to amend the Commonwealth's Section 1115(a) Demonstration, entitled TEAMKY (Project Number 11-W-00306/4). Over the past decade, Kentucky has successfully implemented a number of legislative, administrative, and Medicaid-specific initiatives designed to reduce incarceration rates for drug-related offenses and support individuals suffering from behavioral health conditions in the communities where they reside. The Commonwealth looks forward to building upon these accomplishments through this amendment.

Consistent with State Medicaid Director Letter #23-003, published on April 17, 2023, this amendment seeks to improve care transitions for certain individuals who are soon-to-be former inmates of a public institution and who are otherwise eligible for Medicaid. Moreover, this amendment seeks to provide recovery housing supports for eligible defendants participating in the Commonwealth's Behavioral Health Conditional Dismissal Program, which provides an alternative to incarceration by allowing eligible defendants to receive treatment for a substance use disorder (SUD).

Under the amendment, eligible adults and youth housed in state prisons and youth development centers will receive case management services pre- and post-release to address physical health, behavioral health, and health-related social needs; medication-assisted treatment for SUD as clinically appropriate for up to 60 days pre-release; and a 30-day supply of all clinically required prescription medications and, if applicable, a prescription/written order for durable medical equipment immediately upon release. Further, eligible adults in state prisons and eligible adults participating in the BHCDP will receive Recovery Residence Support Services for up to 90 days post-release.

Thank you for the opportunity to submit the enclosed application, which includes all procedures set forth under 42 Code of Federal Regulations § 431.412. The Commonwealth values its partnership with the Centers for Medicare & Medicaid Services, and following a determination of completeness and the required 30-day federal comment period, we look forward to working with the Agency to further promote the objectives of the Medicaid program in Kentucky.

Sincerely,

Lisa Lee, Commissioner
Department for Medicaid Services

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Section I – Program Description

The TEAMKY section 1115(a) Medicaid and Children's Health Insurance Program (CHIP) (Project Number 11-W-00306/4) Demonstration was first approved January 12, 2018. Formerly known as the Kentucky "Helping to Engage and Achieve Long Term Health" (i.e., Kentucky HEALTH) Demonstration, TEAMKY aimed to transform the Commonwealth's Medicaid program to empower beneficiaries and improve their overall health by continuing health coverage for the existing Medicaid population, while evaluating new policies designed to engage members in their healthcare and communities (e.g., "community engagement requirements"). On December 16, 2019, Kentucky requested to formally withdraw the community engagement requirements which were never implemented. The Centers for Medicare & Medicaid Services (CMS) reissued the Special Terms and Conditions (STCs) of the Kentucky HEALTH Demonstration on June 16, 2020 to effectuate the Commonwealth's request.

In the intervening years, several additional requests have since been submitted to CMS, including: (1) a request to amend the TEAMKY Demonstration to provide substance use disorder (SUD) treatment to eligible incarcerated members dated November 24, 2020; (2) a request to extend the TEAMKY Demonstration through September 30, 2028, dated September 30, 2022; and (3) a request to amend the Demonstration to provide short-term inpatient treatment services in institutions for mental diseases (IMDs) for eligible adults with serious mental illness (SMI) and to provide recuperative care services to eligible adults who are homeless or at risk of homelessness, dated May 31, 2023. As of this writing, none of the aforementioned requests have received CMS approval; however, on September 27, 2023, CMS did approve a temporary extension of the TEAMKY Demonstration to allow for continued negotiations over the extension application. The TEAMKY Demonstration will now expire September 30, 2024.

Section I.A. Summary of Proposed Demonstration

As described above, Kentucky has a pending request to amend the TEAMKY Demonstration to provide SUD treatment to eligible incarcerated members (hereinafter "Original Reentry Demonstration"). Specifically, the amendment would allow the Commonwealth to provide SUD treatment to eligible incarcerated members in Kentucky state jails and prisons, and to transition the incarcerated member to their chosen managed care organization (MCO) an average of 30 days prior to their release date in order to coordinate referrals and assessments to their community treatment providers.

In the intervening years since the Original Reentry Demonstration was submitted, CMS approved similar demonstrations in California and Washington, and issued guidance to states on how to leverage the Medicaid program to provide reentry services.[1] Regarding the latter, State Medicaid Director Letter (SMDL) #23-003, published on April 17, 2023, describes an opportunity for states to secure demonstration waivers for projects to improve care transitions for certain individuals who are soon-to-be former inmates of a public institution and who are otherwise eligible for Medicaid. The SMDL specifically notes that such demonstrations must "test innovative approaches to coverage and quality to improve care transitions, starting pre-

[1] CMS, 11-W-00304/0 and 21-W-0007101/0 Washington State Medicaid Transformation Project 2.0.

release, for individuals who are incarcerated, thereby facilitating improved continuity of care once the individual is released."

With this application, Kentucky requests to withdraw its Original Reentry Demonstration and seeks approval to provide the following services consistent with SMDL #23-003:

1. All adults who would be eligible for Medicaid if not for their incarceration status in one of Kentucky's state prisons overseen by the Kentucky Department of Corrections (DOC), shall receive:
    a. Case management to address physical health, behavioral health, and health-related social needs (HRSN) up to 60 days prior to release, and up to 12 months post-release.
    b. Medication-assisted treatment (MAT) with accompanying counseling for individuals diagnosed with an SUD up to 60 days prior to release.[2]
    c. Thirty-day supply of all clinically-required prescription medication (inclusive of over-the-counter [OTC] medications) and, if applicable, a prescription/written order for durable medical equipment (DME) immediately upon release.
    d. Recovery residence support services (RRSS) for individuals diagnosed with an SUD up to 90 days post-release.
2. All youth who would be eligible for Medicaid or CHIP if not for their having been adjudicated and placed in one of Kentucky's Youth Development Centers (YDCs) overseen by the Kentucky Department of Juvenile Justice (DJJ), shall receive:
    a. Case management to address physical health, behavioral health, and HRSN for up to 60 days prior to the individual's expected date of release, and up to 12 months post-release.
    b. MAT with accompanying counseling for individuals diagnosed with an SUD up to 60 days prior to release.[3]
    c. Thirty-day supply of all clinically-required prescription medication (inclusive of OTC medications) and, if applicable, a prescription/written order for DME immediately upon release.
3. All Medicaid-enrolled adults diagnosed with an SUD and participating in the Kentucky Behavioral Health Conditional Dismissal Program (BHCDP),[4] authorized in 2022 pursuant to Kentucky Senate Bill (SB) 90, shall receive RRSS for up to 90 days.

[2] Note, the Commonwealth intends to cover all U.S. Food and Drug Administration (FDA) approved medications for OUD, including buprenorphine, methadone, and naltrexone, as well as acamprosate and naltrexone for alcohol use disorder.

[3] CMS, 11-W-00304/0 and 21-W-0007101/0 Washington State Medicaid Transformation Project 2.0. CMS, *1*1-W-00193/9 *California CalAIM Demonstration*.

[4] 2022 Kentucky Acts 230.

While outlined in greater detail throughout this application, the Commonwealth will provide the above services through a variety of state agencies, MCOs, and providers. With respect to eligible adults incarcerated in a state prison, all case management services will be provided by a Kentucky Medicaid MCO; pre-release MAT services will be provided by DOC providers, and post-release MAT services delivered by community-based providers under contract with a Kentucky Medicaid MCO; 30-day supply of medication and/or DME will be prescribed by DOC providers, with medications dispensed on site and DME available in the community; and RRSS will be delivered by community-based providers contracting with a Kentucky Medicaid MCO.

Regarding eligible youth placed in a YDC, all case management services will be provided by the single statewide MCO that manages the Supporting Kentucky Youth (SKY) program; pre-release MAT services will be provided by DJJ providers, and post-release MAT services delivered by community-based providers under contract with the SKY program MCO; and 30-day supplies of medication and/or DME will be prescribed by DJJ clinical providers and dispensed on site upon release.

All services provided within a state prison or YDC will be delivered in person or via telehealth (must consist of both audio and video). Concerning Medicaid-eligible adults participating in the BHCDP, RRSS will be delivered by community-based providers contracting with a Kentucky Medicaid MCO.

Section I.B. Rationale for Proposed Demonstration

The rationale for Kentucky's reentry waiver request is based on a set of complex and interrelated variables. Not only do incarcerated individuals face disproportionate rates of mental health issues, suicide, SUD, disabilities, and physical disorders, the barriers they face upon reentry further exacerbate their underlying health conditions and complicate health and justice outcomes for both the individual and the community. In the narrative that follows, Kentucky describes specific challenges regarding increasing incarceration rates, the health status of incarcerated individuals, and the SUD crisis that faces the Commonwealth. Despite challenges, Kentucky describes how the Proposed Reentry Demonstration request, with input from stakeholders to inform the proposal, will bolster the Commonwealth's efforts to address these challenges.

Increasing Incarceration Rates

Nearly two million people are incarcerated in prisons and jails nationwide, and incarceration rates have increased 220 percent since 1980.[5] The United States (U.S.) imprisons 350 people per 100,000 residents.[6] While incarceration rates declined by 16 percent in prisons during the COVID-19 pandemic, this decrease has not been sustained, and prison populations have begun to rebound to pre-pandemic levels.[7] Further, fewer people were released from prisons and jails during the pandemic.[8] On average, the U.S. releases seven million people from jails and 600,000

[5] *See* Office of Disease Prevention and Health Promotion, Incarceration – Healthy People 2030.
[6] *See* Bureau of Justice Statistics, Impact of COVID-19 on State and Federal Prisons, March 2020 – February 2021 (2022).
[7] Id.
[8] *See* U.S. Department of Justice Bureau of Justice Statistics, Federal Justice Statistics, 2020 (2022).

people from prisons annually.[9] However, this number decreased by 10 percent during the pandemic.[10] Additionally, recidivism rates are at an all-time high. Research shows that within two years of release, two out of every three people are rearrested, and more than 50 percent are re-incarcerated.[11]

Overall incarceration rates of juvenile offenders in the U.S. have been declining since 2010.[12] In 2020, an estimated 37,500 juveniles were detained in residential placements, the lowest rate since 1997.[13] However, U.S. law enforcement continues to arrest 1.3 million individuals under the age of 18 per year.[14] The effects of arrest and incarceration can be especially devastating for juveniles, and recidivism rates are high for the population, especially among those with SUD.[15] For example, it has been reported that 55 percent of juveniles are rearrested within one year post-release, and 24 percent are re-incarcerated.[16] Further, juveniles that are in the justice system at a young age are more likely to commit offenses into adulthood. Of the juveniles that are arrested each year, an estimated 80 percent will face incarceration as an adult.[17]

Kentucky has also seen a dramatic increase in incarceration rates over the last 40 years. In 1980, nearly 4,000 people were imprisoned in Kentucky, compared to the nearly 19,000 that were imprisoned in 2020.[18] Kentucky has an incarceration rate of 414 per 100,000 residents.[19] The increased rates of incarceration are not a result of increased crime rates; rather, the rates are a direct result of changes in sentencing law and policy.[20] As described in greater detail below, the Commonwealth has taken significant measures to combat these issues by passing legislation aimed to reduce incarceration rates for certain drug-related offenses. In contrast to the adult population, the number of youth arrests and incarcerations in Kentucky has been in steady decline. Since 2016, detention intakes in Kentucky decreased by 57 percent.[21] In 2021, 218 juveniles were detained in out-of-home placements, compared to the 359 individuals that were detained in 2016.[22]

Health Status of Incarcerated Individuals

Incarcerated individuals are more likely to suffer from physical and mental health-related issues

[9] Office of Disease Prevention and Health Promotion, Incarceration – Healthy People 2030.
[10] U.S. Department of Justice Bureau of Justice Statistics, Federal Justice Statistics, 2020 (2022).
[11] Office of Disease Prevention and Health Promotion, Incarceration – Healthy People 2030.
[12] *See* Youth Involved with the Juvenile Justice System.
[13] Id. Office of Juvenile Justice and Delinquency Prevention, Research Central: Measuring What Works in Juvenile Reentry (2020).
[14] Elizabeth S. Barnert, et al., *How Does Incarcerating Young People Affect Their Adult Outcomes?*, Official Journal of the American Academy of Pediatrics (February 2017).
[15] *See* Youth Involved with the Juvenile Justice System, Youth.gov.
[16] Office of Juvenile Justice and Delinquency Prevention, Research Central: Measuring What Works in Juvenile Reentry (2020).
[17] Elizabeth S. Barnert, et al., *How Does Incarcerating Young People Affect Their Adult Outcomes?*, Official Journal of the American Academy of Pediatrics, (February 2017).
[18] National Institute of Corrections, Kentucky 2020.
[19] Id.
[20] See National Research Council, The Growth of Incarceration in the United States: Exploring Causes and Consequences, The National Academies Press, page 38 (2014).
[21] Kentucky Department of Juvenile Justice, Fiscal Year 2020-2021 Annual Report, page 10 (2021).
[22] Id.

than non-justice-involved individuals. Nearly half of individuals in prisons have a history of mental health disorder, while 17 percent suffer from an SMI.[23] Similarly, incarcerated individuals are more likely to suffer from chronic health conditions such as high blood pressure, hypertension, asthma, cancer, arthritis, tuberculosis, hepatitis, and HIV.[24] Due to the prevalent physical and mental health issues among incarcerated individuals, overall U.S. life expectancy has declined by two years.[25] To put a finer point on this, within the first two weeks post-release, justice-involved individuals are 12 times more likely to die from a physical or mental health-related issue than the general population.[26]

Additionally, the inmate population is aging more rapidly than the general public, and as a result, the health status of the incarcerated population is declining. Sixteen percent of incarcerated individuals are 55 years or older.[27] Older individuals are more likely than younger individuals to suffer from chronic health conditions.[28] The aging population is placing an additional burden on health care systems within carceral facilities. Additionally, the current health care system within carceral facilities is reactive, and individuals are treated for acute health conditions rather than receiving preventive health care or treatment for chronic health issues.[29] The absence of a preventive health system, in conjunction with the aging inmate population, exacerbates the disproportionate rates of chronic health conditions among incarcerated individuals and places additional burdens on current health care systems.

Health status also plays a critical role in youth incarceration, both pre and post-release. To begin with, juvenile offenders are more likely to have a history of adverse childhood experiences. Over 90 percent of juvenile offenders have experienced at least one traumatic event in their lifetimes, such as witnessing violence, suffering from physical or sexual abuse, or experiencing serious accidents, illnesses, or diseases.[30] Further, incarcerated youth are more likely than the general population to suffer from mental health disorders and have high rates of unmet medical needs. Seventy percent of juvenile offenders suffer from at least one diagnosable mental health disorder, and 30 percent of those experience severe mental health disorders.[31] Additionally, 46 percent of juvenile offenders have at least one urgent medical need that requires immediate attention, and 12 percent of juvenile offenders are expecting a child of their own.[32] Similarly to adult offenders, the effects of incarceration have a negative impact on the health of juveniles. Any incarceration during adolescence leads to worse general health, higher rates of stress-related illnesses like

[23] SAMHSA, Best Practices for Successful Reentry From Criminal Justice Settings for People Living with Mental Health Conditions and/or Substance Use Disorders, page 4 (2023).
[24] Office of Disease Prevention and Health Promotion, Incarceration – Healthy People 2030.
[25] *See* Christopher Wildeman, *Incarceration and Population Health in Wealthy Democracies*, Criminology, page 360 (May 2016).
[26] Ingrid A. Bingswanger, et al., *Release from Prison – A High Risk Death for Former Inmates*, The New England Journal of Medicine (January 2007).
[27] U.S. Department of Justice Bureau of Justice Statistics, Prisoners in 2021 – Statistical Tables, page 21 (2022).
[28] Office of Disease Prevention and Health Promotion, Incarceration – Healthy People 2030.
[29] *See* National Academies Press, Health and Incarceration: A Workshop Summary (August 2013).
[30] Julian D. Ford, *Trauma Among Youth in the Juvenile Justice System: Critical Issues and New Directions*, National Center For Mental Health And Juvenile Justice, page 1 (June 2007).
[31] *See* Youth Involved with the Juvenile Justice System, Youth.gov.
[32] Elizabeth S. Barnert, et al., *How Does Incarcerating Young People Affect Their Adult Outcomes?*, Official Journal of the American Academy of Pediatrics, (February 2017).

hypertension, and higher likelihood of obesity in adulthood.[33] Additionally, incarcerated youth are more likely to have worse mental health as an adult, such as high rates of depression and suicidal thoughts.[34]

Incarcerated individuals in Kentucky face similar health risks to the larger U.S. inmate population. For example, research shows that two in five adults incarcerated in Kentucky have a history of mental illness.[35] Further, one in four individuals with an SMI has been arrested at some point in their lifetimes, leading to two million bookings of individuals with SMI each year.[36] The leading causes of death for Kentucky inmates are heart disease, cancer, liver disease, respiratory disease, and suicide and, according to a report conducted in 2019, Kentucky is one of five states that has a prison mortality rate of at least 500 per 100,000 state prisoners.[37] Studies conducted after the pandemic also show that the COVID-19 test positivity rate in Kentucky prisons was 22.5 per 100 tests, ranking Kentucky sixth among states in COVID-19 positivity. The COVID-19 mortality rates among Kentucky inmates were 1.4 deaths per 1,000 prisoners, making the Commonwealth 25th among states in COVID-19 mortality rates.[38]

Substance Use Disorder Crisis

In recent years, SUD has become a critical public health and safety concern, affecting individuals, families, and communities across the nation. Not only does SUD result in significant threats to health and well-being, it creates considerable socioeconomic burdens; can result in significant clinical impairment and disability; and increases rates of abuse and neglect, as well as incarceration. In 2021, 46.3 million people aged 12 or older reported an SUD in the prior year, including 29.5 million who had an alcohol use disorder, 24 million who had a drug use disorder, and 7.3 million people who had both an alcohol use disorder and a drug use disorder.[39] During the same time period in Kentucky, 615,000 people aged 12 or older reported an SUD in the prior year, including 331,000 who had an alcohol use disorder, 372,000 who had a drug use disorder.[40]

Opioid use disorder (OUD), in particular, has had a devastating effect in the U.S. The increased number of individuals reporting OUD can be traced back to the rise in prescription opioid medications in the 1990s, which led to an increased usage of heroin and synthetic opioids like illicit fentanyl.[41] The opioid epidemic has reached its zenith in recent years. In 2021, 2.5 million people aged 18 or older reported an OUD in the prior year.[42] The Centers for Disease Control

[33] Id.
[34] Id.
[35] National Alliance on Mental Illness, Mental Health in Kentucky (2021).
[36] Id.
[37] U.S. Department of Justice Bureau of Justice Statistics, *Mortality in State and Federal Prisons 2001-2019 – Statistical Tables*, page 26 (December 2021).
[38] U.S. Department of Justice Bureau of Justice Statistics, *Impact of COVID-19 on State and Federal Prisons, March 2020-February 2021*, page 12, page 20 (December 20, 2022).
[39] SAMHSA, Table 5.1A Substance Use Disorder for Specific Substances in Past Year: Among People Aged 12 or Older. SAMHSA, Key Substance Use and Mental Health Indicators in the United States: Results from the 2021 National Survey on Drug Use and Health.
[40] SAMHSA, Table 45A Substance Use, Perceptions of Great Risk, and Mental Health Measures: Among People Aged 12 or Older in Kentucky; by Age Group, Estimated Numbers (in Thousands), 2021.
[41] CDC, Understanding the Opioid Overdose Epidemic (2023).
[42] National Institute of Health, Only 1 in 5 U.S. adults with OUD received medications to treat it in 2021 (2023).

and Prevention (CDC) estimates that between 1999 and 2021, over one million people died from drug-related deaths, and 645,000 people died from overdoses involving an opioid.[43] Similarly, in 2021 alone, there were 107,000 drug-related deaths, and 80,000 were opioid-related, which is 10 times the number of opioid-related deaths reported in 1999.[44] Kentucky, in particular, has been disproportionately affected by the opioid epidemic. The CDC reports that in 2020, Kentucky's opioid dispensing rate was 68.2 out of every 100 residents, the fifth highest among states.[45] In 2021, 128,000 Kentuckians aged 12 or older reported an OUD in the prior year.[46] Kentucky ranks third highest among states in drug overdose fatalities with 55.6 deaths out of every 100,000 residents, nearly 60 percent above the national average.[47] Of the 2,250 overdose deaths reported in Kentucky in 2021, 1,787 were opioid-related.[48] Moreover, internal DMS data show that Medicaid beneficiaries make up nearly 75 percent of all Kentucky overdose deaths.

With respect to Kentucky's youth, rates of SUD have remained steady among adolescents since 2015, and the number of juveniles suffering from SUD is staggering. In 2019, 17.2 percent of adolescents aged 12 to 17 have reported using illicit drugs in the past year, and 9.4 percent reported using alcohol in the past month.[49] Youth suffering from SUD face negative outcomes in many facets of life, such as in academics, mental and physical health, and involvement with the juvenile justice system. Specifically, 39 percent of incarcerated youth report being under the influence of drugs at the time of their offense.[50] Further, untreated SUD will continue to affect adolescents into adulthood, and these individuals are more likely to experience criminal involvement, unintended pregnancies, sexually transmitted infections, and mental disorders.[51]

SUD is a particular challenge for the incarcerated population. For example, of the 1.9 million people incarcerated in prisons and jails nationwide, an estimated 65 percent meet the Diagnostic and Statistical Manual of Mental Disorders (DSM)-5 criteria for addiction.[52] Incarcerated individuals are particularly vulnerable to drug-related complications and deaths due to limited access to treatment both during incarceration and post-release. Of the 5,100 prisons and jails nationwide, research shows that only 30 facilities offer MAT involving methadone and buprenorphine for individuals suffering from SUD.[53] In Kentucky, the corrections-based SUD treatment system is able to treat nearly 6,300 individuals at any given time across all jails,

[43] CDC, Drug Overdose Deaths (2023); CDC, Understanding the Opioid Overdose Epidemic (2023).
[44] National Institute on Drug Abuse, Drug Overdose Death Rates (2023); CDC, Opioid Data Analysis and Resources (2023).
[45] CDC, U.S. State Opioid Dispensing Rates (2019).
[46] SAMHSA, Table 45A Substance Use, Perceptions of Great Risk, and Mental Health Measures: Among People Aged 12 or Older in Kentucky; by Age Group, Estimated Numbers (in Thousands), 2021.
[47] CDC, Drug Overdose Mortality by State (2021).
[48] Patricia R. Freeman et al., Drugs involved in Kentucky drug poisoning deaths and relation with antecedent controlled substance prescription dispensing, Substance Abuse Treatment, Prevention, and Policy, page 18, page 53 (2023).
[49] SAMHSA, Screening and Treatment of Substance Use Disorders Among Adolescents (2021).
[50] Office of Juvenile Justice and Delinquency Prevention, Consequences of Youth Substance Abuse.
[51] SAMHSA, Screening and Treatment of Substance Use Disorders Among Adolescents (2021).
[52] National Library of Medicine, DSM-5 Diagnostic Criteria for Diagnosing and Classifying Substance Use Disorders.
[53] SAMHSA, Use of Medication-Assisted Treatment for Opioid Use Disorder in Criminal Justice Settings, page 8 (2019).

prisons, halfway houses, recovery centers, community mental health centers (CMHCs), and intensive outpatient centers—all of which were at capacity in State Fiscal Year 2021.[54]

Continuing Kentucky's Mission

The proposed waiver is intended to support the significant efforts the Commonwealth has taken to address the needs of the most vulnerable Kentuckians. What follows are highlights of legislative, administrative, and Medicaid-specific initiatives that have been implemented in recent years.

Legislative

Over the past decade, the Kentucky General Assembly has passed sweeping legislation to reduce incarceration rates for drug-related offenses and to implement community supports for individuals suffering from SUD. For example, House Bill (HB) 463 (2011) aims to reduce felony convictions for drug possession charges by allowing for deferred prosecution for possession cases, needs assessments for treatment and expungement of misdemeanor possession cases upon successful completion of treatment, and the creation of a drug treatment court program.

Progress from HB 463 was advanced by SB 192 (2015), which enhanced several aspects of Kentucky's response to the opioid crisis by emphasizing treatment over incarceration. Specific reforms included expanded access to naloxone and granting priority access to substance use treatment for pregnant women. In addition, the bill funded the implementation of two new programs, "Rocket Docket" and "Alternative Sentencing Worker." Rocket Dockets are a collaborative effort between a given county and Commonwealth's attorneys to process the appropriate cases more swiftly through the judicial system, which creates cost savings and more quickly identifies defendants for the appropriate drug treatment.[55] The Alternative Sentencing Worker Program employs alternative sentencing workers (ASWs) to work with offenders on creating an individualized comprehensive plan to address the individual's underlining criminal behavior and facilitate rehabilitation.[56] Through a referral process, ASWs identify individuals who suffer from substance abuse and/or mental health disorders, offering alternative options to the court in lieu of incarceration.

Building upon efforts to mitigate the opioid crisis undertaken in SB 192, Kentucky has implemented several measures directed at prescribers. For example, in 2012, HB 1 passed, which established requirements for the prescription and dispensing of controlled substances, established continuing medical education requirements for prescribers, introduced sanctions for practitioners who fail to adhere to controlled substance guidelines, and imposed reporting requirements including mandatory implementation of Prescription Drug Monitoring Programs.[57] As a result of HB 1, 201 Kentucky Administrative Regulations (KAR) 9:260 and 201 KAR 9:270 were

[54] Martha Tillson, et al., Criminal Justice Kentucky Treatment Outcome Study (2022).

[55] Gina Carey and Carol Ray, *Criminal Rocket Dockets in Kentucky*, Office of the Prosecutors Advisory Council, (January 17, 2019). Kentucky Public Health, *At a Glance: Kentucky Harm Reduction and Syringe Exchange Program (HRSEP) Guidelines for Local Health Departments Implementing Needle Exchange Programs* (May 11, 2015).

[56] KY.gov Public Defenders Department of Advocacy, *Alternative Worker Sentencing Program*.

[57] KY.gov KBML, *House Bill 1 Information*.

implemented, establishing professional standards for the administering of buprenorphine and other controlled substances and permitting the Kentucky Board of Medical Licensure (KBML) to monitor and takes enforcement actions against prescribers who fail to adhere to such standards.[58]

More recently in 2021, HB 497 was passed, which provides certificates of employability to inmates who successfully complete a reentry program while incarcerated. The program further provides inmates with employment support services, such as interviewing assistance and resume building. The following year, SB 90 was passed, which seeks to further reduce incarceration rates and prioritize treatment options by creating the BHCDP, a four year pilot program that provides eligible individuals an option to receive treatment for a behavioral health disorder instead of incarceration, resulting in dismissal of the criminal charges upon successful completion of the program.[59] In 2023, HB 248 was passed creating a statutory definition for recovery residences and directing the Cabinet for Health and Family Services to establish certification requirements for such facilities.[60] This same year, SB 162 and HB 3 were passed, which among other provisions, requires that the Commonwealth maintain a comprehensive data system for DJJ, and provides resources for youth suffering from mental illness.[61]

Administrative

In addition to the above legislative initiatives, DOC offers a wide range of evidence-based, life skills, promising practice, and substance abuse programs (SAPs), as well as case management services to address the treatment and reentry needs of individuals in the Department's custody. Most relevant to this waiver request, the DOC SAP includes inpatient programs, intensive outpatient programs, and MAT, leveraging therapeutic approaches such as modified therapeutic community, cognitive behavior therapy, motivational interviewing, and 12-step facilitation.[62]

With respect to MAT, DOC has been offering related counseling and Vivitrol to individuals in Kentucky state prisons who meet the clinical and medical protocol requirements since 2016.[63] Access to FDA-approved medications for OUD has been expanded to include buprenorphine formularies (i.e., Suboxone and Sublocade) at six state prisons. In addition, all incarcerated individuals currently receive a 30-day supply of all prescribed medication, upon release. In 2018, recognizing the importance of continuity of care, a specialized dormitory was also created for SAP graduates who were not granted parole. This dormitory setting allows for continued curriculum facilitation and additional reentry programs to prepare for release. Once released from custody, SAP graduates receive referrals to community staff and social services clinicians for local aftercare and recovery-based supports. One option for additional recovery support is Supporting Others in Active Recovery (SOAR), a transitional program where those who have completed SAP, but are not yet scheduled for release, may continue treatment in a prosocial

[58] 201 KAR. 9:260 (2013). 201 KAR 9:270 (2015).
[59] 2022 Kentucky Acts 230.
[60] H.B. 248, 2023 Gen. Assemb., Reg. Sess. (Ky. 2023).
[61] S.B. 162, 2023 Gen. Assemb., Reg. Sess. (Ky. 2023). H.B. 3, 2023 Gen. Assemb., Reg. Sess. (Ky. 2023).
[62] KY Corrections Polices and Procedures, CPP 30.6 Division of Addiction Services Substnace Abuse Program (July 20, 2021).
[63] Note, DOC is accredited through the American Correctional Association to perform health risk assessment (HRAs), which each inmate receives upon entry into a carceral setting. The HRA includes indicators of risk for SUD.

environment.[64]

In 2018, the DOC Division of Reentry Services was created to support inmates' transition back into the community. As of 2019, every adult institution overseen by DOC has at least one assigned reentry coordinator, and community-based reentry coordinators are assigned to each of the Commonwealth's parole districts to provide post-release services. The Division of Reentry Services has also partnered with Office of Drug Control Policy (ODCP) to provide funding for transportation for individuals post-release, thereby minimizing transportation barriers and allowing individuals to continue receiving vital health care and SUD treatment services in the community.

Recent reporting demonstrates the significant impact SAP has had on incarcerated Kentuckians. Specifically, the 2022 Criminal Justice Kentucky Treatment Outcome Study, which is conducted annually in partnership with University of Kentucky Center on Drug and Alcohol Research, found that 92.6 percent of SAP graduates interviewed 12 months post-release were living in stable housing.[65] Further, 78.9 percent of those graduates with children reported providing financial support to their children, 73.9 percent were not re-incarcerated, 75.3 percent were employed, 75.3 percent did not have a positive drug test, and 54.2 percent self-reported abstinence from illicit drug use.[66]

Similar to DOC, DJJ has a number of initiatives to address the health care needs of Kentucky's YDC-placed youth that will serve as a foundation for the services outlined in the proposed waiver request. Most notably, the Department's Placement Services Division is responsible for assessing Medicaid eligibility for all youth entering custody and coordinating with a range of partners including, but not limited to, DMS, Family Support, federal partners, and the single statewide MCO for the SKY program, to ensure all youth not subject to the federal inmate exclusion policy have access to Medicaid coverage. In addition, system integrations exist that enable coordination for billing and payment of services provided.

In addition to the above, DJJ's Community, Professional Development, and Mental Health Services Division performs physical and behavioral health related screenings on youth in DJJ custody and, where appropriate, provides designated case management services. The DJJ Mental Health Branch also employs qualified mental health professionals (QMHPs), such as regional psychologists or staff trained in the use of the screening instruments, to conduct psychological evaluations when requested by courts; juvenile sex offender assessments and reassessments; crisis consultations (e.g., suicide evaluations, school violence assessments); substance use assessments; and mental health and trauma assessments. Screening results are reviewed by medical professionals and QMHPs to ensure clinically-appropriate care, including referrals when necessary, is provided in a timely manner.

[64] KY Corrections Policies and Procedures, CPP 30.9 Supporting Others in Active Recovery (SOAR) Program (July 20, 2021).
[65] Martha Tillson, et al., Criminal Justice Kentucky Treatment Outcome Study (2022).
[66] Id.

Lastly, DJJ Community Services Branch staff attend juvenile court, complete risk assessments, and maintain responsibility for the youth probated and committed to the Department from all 120 counties of the Commonwealth. Juvenile service workers (JSW) have case management responsibilities and assess each youth's needs for supervision and services and play a vital role in the decisions for out-of-home placement, supervision of youth, and brokering for services within the community. The JSWs develop case plans according to DJJ policy timeliness of service delivery; in-treatment, discharge, and aftercare planning; and referrals to community-based service providers. Current processes employed by DJJ will be modified during the waiver implementation period to ensure the reentry needs of YDC-placed youth are met.

In addition to the efforts undertaken by DOC and DJJ to support the health care needs of justice-involved individuals, the Department for Behavioral Health, Developmental and Intellectual Disabilities (DBHDID) supports a number of programs and initiatives serving individuals as they come into contact with and move through the criminal justice system.[67] For example, the Adult Diversion from the Justice System program serves adults receiving services at a CMHC pursuant to court ordered community-based outpatient treatment.[68] This program includes all justice-invovled adults that the CMHC staff evaluate for services and level of care. In addition, Jail Triage is a voluntary program available to Kentucky's county jails that screens for suicide risk, recommends interventions, and arranges follow-up assessments with local mental health or substance use treatment services as needed.[69]

As noted previously, the BHCDP is a pilot program designed to provide eligible individuals with a behavioral health disorder and qualifying low-level charges a treatment alternative to incarceration.[70] In addition to implementation of an approval process for behavioral health providers that meet eligibility criteria outlined in statute, DBHDID administers the BHCDP trust fund, which totals $10.5 million each year for four years. Funds support administration of a statewide clinical assessment process that determines eligibility of program participants; development of a data collection platform; training and technical assistance for behavioral health providers; reimbursement for services delivered to persons without or ineligible for Medicaid or private insurance; and barrier relief.

Finally, through the Substance Abuse and Mental Health Services Administration (SAMHSA) State Opioid Response funds, the Kentucky Opioid Response Effort (KORE) supports the implementation of several programs and initiatives serving justice-involved individuals–a priority population for the grant.[71] Quick Response Teams and Community Response Coordination Teams support early intervention and diversion to services and supports. Initiatives

[67] KY.gov Team Kentucky Cabinet for Health and Family Services, *Department for Behavioral Health, Developmental and Intellectual Disabilities*.
[68] KY. REV. STAT. § 202A.028.
[69] KY.gov Team Kentucky Cabinet for Health and Family Services, *Kentucky Jail Mental Health Crisis Network*.
[70] KY.gov Team Kentucky Cabinet for Health and Family Services, *Behavioral Health Conditional Dismissal Program.*
[71] KY.gov Team Kentucky Cabinet for Health and Family Services, *Kentucky Opioid Response Effort (KORE)*.

to expand access to medications for opioid use disorder (MOUD) at county jails include the provision of methadone and buprenorphine to individuals incarcerated in a large urban county jail; expanded MOUD access through two county drug courts in eastern Kentucky; and a Residential Therapeutic Recovery Community model that provides buprenorphine and naltrexone in a northern Kentucky county jail. In partnership with DOC, KORE has supported expanded access to buprenorphine within state prisons prior to release, as well as jail reentry care coordination for individuals with OUD and/or stimulant use disorder who participate in substance use treatment while incarcerated.

Waiver-Specific

Lastly, the Commonwealth has leveraged the TEAMKY Demonstration to further enhance the continuum of care for beneficiaries experiencing SUD. On November 20, 2018, CMS approved an amendment to enhance SUD treatment services, while standard of care for drug treatment in Kentucky. In addition to allowing for the provision of treatment and withdrawal management services for SUD to beneficiaries who are short-term residents in facilities that meet the definition of an IMD, the amendment enabled the Commonwealth to: (1) require that MCOs and providers assess treatment needs based on SUD-specific assessment tools; (2) establish a utilization management approach to ensure access to SUD services at the appropriate level of care; (3) establish a process to ensure residential treatment providers deliver care consistent with American Society for Addiction Medicine (ASAM) criteria and that they offer MAT on site or facilitate access off site; (4) implement guidelines and interventions to prevent prescription drug abuse and expand access to naloxone; (5) develop an SUD health information technology (HIT) plan; and (6) implement policies to ensure residential and inpatient facilities link beneficiaries with community-based services and supports. Recent mid-point and interim evaluations of the TEAMKY Demonstration's SUD waiver noted that the Commonwealth has been successful in increasing the availability of SUD-related services to Medicaid beneficiaries as evidenced by a decrease in emergency department visits for SUD-related diagnosis, a decrease in inpatient admissions for beneficiaries with SUD diagnosis, and a decrease in 30-day hospital readmissions for beneficiaries with SUD. However, the evaluations also highlighted a lack of access to SUD/OUD services for justice-involved Kentuckians.

Stakeholder Engagement

The Commonwealth has conducted significant stakeholder engagement to inform the Proposed Reentry Demonstration request. In addition to leveraging input received during planning and public transparency-related activities associated with the original incarceration request, DMS has spent much of the past year conducting key informant interviews and focus groups to identify the current state of reentry policies and processes, discover challenges and barriers, recognize the needs and wants of the stakeholders, and gain a clear understanding of existing infrastructure and opportunities. Stakeholders have included, but were not limited to, representatives from various Kentucky administrative agencies (i.e., DOC; DJJ; Department of Public Health; DBHDID; ODCP; and Administrative Office of the Courts), as well as each of the six Medicaid MCOs (i.e., Aetna, Anthem, Humana, Molina, United Healthcare, and WellCare). In addition, DMS has actively participated in, and solicited input from, members of the Pharmacy Technical Advisory Committee (TAC), the Behavioral Health TAC, and Persons Returning to Society from

Incarceration TAC, which includes members with lived experience.[72] Each of these TACs acts as an advisor to the Advisory Council for Medical Assistance and include providers and individuals representing Medicaid beneficiaries. Quantitative and qualitative data gathered through the aforementioned activities were analyzed and organized into four key areas:

1. ***Organizational Priorities Relative to the Reentry Population.*** Defined organizational priorities to understand where goals align with the needs and aspirations of the Reentry population and their communities. The analysis provided insight into how well each organizational program is prepared to support Kentucky's mission and vision in providing comprehensive care to individuals returning to the community.
2. ***Care Coordination and Case Management.*** Recognizing that efficient care coordination and robust case management are vital components of the Proposed Reentry Demonstration, feedback from each stakeholder group revealed essential insights into the effectiveness and areas for improvement in these core aspects of the program.
3. ***Barriers and Challenges with Reentry and Recidivism.*** To meaningfully address the issues of recidivism, it was necessary to identify the barriers and challenges that justice-involved individuals face during the reentry process. Stakeholders' experiences and insights offered a comprehensive view of these obstacles, enabling the Commonwealth to adapt strategies and interventions according to population need.
4. ***Systems, Processes, and Protocols.*** Kentucky operates an intricate web of systems, processes, and protocols to support individuals returning to their communities after incarceration. Stakeholder feedback provided awareness regarding how well these components function, existing challenges, and areas to optimize the program's efficiency and overall effectiveness.

Stakeholder feedback also identified the following needs, challenges, and opportunities to be addressed during implementation planning and throughout the waiver period:

- Access to primary care and medication for chronic conditions, mental health, and SUD treatment were viewed as a top priority, yet a core challenge.
- Physical and behavioral health linkages were viewed as critical to prevent service disruptions and best facilitate continuity of care.
- Assessing Medicaid eligibility, health diagnoses, and HRSN represents a shared priority among stakeholders.
- Access to housing, reliable transportation, identification documents, employment, and carceral health records were cited as significant barriers to successful reentry.
- Case management and care coordination at state prisons and YDCs must be enhanced to meet the service delivery requirements outlined in SMDL #23-003.
- Significant opportunities exist to leverage MCO case management services currently provided to formerly incarcerated individuals.

[72] HB 53, 2021 General Assembly, Regular Session (Kentucky, 2021), Kentucky Revised Statute § 205.590.

- Fragmented communications, limited data sharing capabilities, and lack of standardized procedures across stakeholders exist.

Section I.C. Demonstration Hypotheses

Consistent with SMDL #23-003, the purpose of this Proposed Reentry Demonstration amendment is to advance the goals of the Medicaid statute and provide coverage for certain Medicaid services to individuals who are soon-to-be released from incarceration, consistent with Section 5032 of the Substance Use Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (Publication L. No. 115-271). *Table 1* details the goals of the program, as well as preliminary hypotheses, measurements, and data sources, which have been developed consistent with CMS guidance for evaluation of 1115 demonstrations. A final, detailed evaluation methodology will be submitted following approval of the Proposed Reentry Demonstration via the revised evaluation design. The design will include a theory of change for the Proposed Reentry Demonstration and a framework for measuring near-term, intermediate, and long-term impacts of the program on health improvement, coordination, and system, practice, and policy changes to support and sustain transformation.

Table 1. Proposed Reentry Demonstration Goals and Hypotheses

Goal 1

Improve access to services by increasing coverage, continuity of coverage, and appropriate service uptake for eligible incarcerated adults and YDC-placed youth.

Hypothesis 1	Potential Measurement(s)	Data Source(s)
The program will improve uptake and continuity of MAT services and other physical and behavioral health treatment, thereby reducing decompensation, suicide-related death, overdose, and overdose-related death.	• In aggregate, by target population, determine whether there was a change in physical health services delivered, behavioral health services delivered, and/or health outcomes during the post-release period. • In aggregate, by target population, determine whether there was a change in the number of individuals who received MAT and/or RRSS, as well as overall health outcomes, during the post-release period.	• Correctional records. • Medicaid claims data. • MCO data. • Health data (where available). • HRA data. • Surveys of MCO case managers and justice-involved individuals at release and prior to end of post-release period.

Goal 2

Improve coordination, communication, and connections between correctional systems, Medicaid systems and processes, managed care plans, and community-based service providers delivering enhanced services to maximize successful reentry post-release.

Hypothesis 2	Potential Measurement(s)	Data Source(s)
By building connections and infrastructure for justice-involved members to access providers and community-based care, members will have the tools and services necessary to stabilize their condition(s) leading to successful reentry post-release.	• In aggregate, by target population, determine whether there was change in recidivism, completed care plans, eligibility screening, enrollments, and/or medication adherence during the post-release period.	• Correctional records. • Medicaid claims data. • MCO data. • Health data (where available). • Surveys of MCO case managers and justice-involved individuals at release and prior to end of post-release period.

Goal 3

Reduce the number of avoidable emergency department visits and inpatient hospitalizations and reduce all cause deaths.

Hypothesis 3	Potential Measurement(s)	Data Source(s)
Coverage and support services provided through the waiver will improve identification and treatment of certain chronic and other serious conditions and reduce acute care utilization in the period soon after release.	• In aggregate, by target population, determine whether there was a change in preventive care service utilization during the post-release period. • In aggregate, by target population, determine whether there was a change in unnecessary utilization of inpatient hospitals, psychiatric hospitals, nursing homes, and/or emergency departments that would otherwise have been paid for by Medicaid during the post-release period.	• Correctional data. • Medicaid claims data. • MCO data. • Cost data.

Goal 4

Increase additional investments in health care and related services to improve quality of care for Medicaid beneficiaries in carceral settings and post-release reentry community services.

Hypothesis 4	Potential Measurement(s)	Data Source(s)
Reentry program allows for infrastructure enhancements to overcome barriers impeding information exchange between correctional and community-based physical and behavioral health services.	• In aggregate, by target population, determine whether there was a change in the frequency, volume, and types of information exchanged between correctional facilities and community-based organizations during the post-release period.	• Correctional data. • MCO data. • Survey relevant correctional and community-based service organizations. • Electronic health record (EHR) audit log data. • Kentucky Health Information Exchange (KHIE) audit log data.

Section I.D. Demonstration Area and Timeframe

The Commonwealth seeks a five-year approval period for the Proposed Reentry Demonstration. Services will be offered statewide; however, geographic limitations exist due to location of participating carceral settings. *Table 2* provides the counties where state prisons overseen by DOC, YDCs overseen by DJJ, and the BHCDP operate. Note, beneficiaries' coverage of other TEAMKY Demonstration services will not be limited by geographic area post-release.

Table 2. Proposed Reentry Demonstration Counties

State Prisons	YDCs	BHCDP Counties
Caldwell County	Adair County	Christian County
Lyon County	Wayne County	Clark County
Muhlenberg County	Graves County	Daviess County
Oldham County[73]	Rowan County	Greenup County
Anderson County	Grant County	Hopkins County
Boyle County	Morgan County	Kenton County
Fayette County		Letcher County
Lee County		Madison County
Bell County		McCracken County
Morgan County		Oldham County
Elliott County		Pulaski County
Floyd County		

Section I.E. Impact to Medicaid or CHIP

The proposed waiver request will support the Commonwealth's overall effort to address the health and well-being of vulnerable Kentuckians, particularly those transitioning from state prisons and YDCs into the community. This request will not affect or modify other components of the Commonwealth's Medicaid and CHIP programs beyond what is described herein.

Section II – Demonstration Eligibility

Individuals eligible to participate in the Proposed Reentry Demonstration include adults and youth who would be eligible for Medicaid or CHIP if not for their incarceration status in a state prison (i.e., incarcerated adults) or a YDC (i.e., YDC-placed youth), and Medicaid-enrolled adults participating in the Kentucky BHCDP (i.e., BHDCP participants). The Proposed Reentry Demonstration will not include any enrollment limits and, if approved, the Commonwealth projects that approximately 23,567 adults and 168 youth will receive services over the approval period. This estimate is based on an analysis of historic Medicaid claims for individuals whose

[73] Note, three state prisons operate in Oldham County.

eligibility was suspended due to incarceration and was subsequently lifted, as well as projections of growth over the life of the Proposed Reentry Demonstration. The Commonwealth is not requesting any eligibility simplifications that require waiver authority. The Commonwealth is also not requesting any changes to Medicaid state plan eligibility. *Table 3* broadly lists Medicaid eligibility groups affected by the Proposed Reentry Demosntration.

Table 3. Medicaid Eligiblity Groups Affected by the Proposed Rentry Demonstration

Eligibility Group Name	Citation	Income Level
Adult group	42 CFR § 435.119	0%–138% FPL
Pregnant women	42 CFR § 435.116	0%–195% FPL
Children under 19	42 CFR § 435.118	0%–195% FPL
Foster care and former foster care children	42 CFR § 435.150	N/A
Parents and other caretaker relatives	42 CFR § 435.110	0%–138% FPL

Section III – Demonstration Benefits and Cost Sharing Requirements

Benefits provided under the Proposed Reentry Demonstration will differ from those provided under the Kentucky Medicaid and/or CHIP State Plans; however, there will be no cost sharing requirements. The benefit package that each eligibility group will receive under the Proposed Reentry Demonstration is outlined in the *Table 4*.

Table 4. Proposed Reentry Demonstration Benefit Package

Eligibility Group	Benefits
Incarcerated Adults	• Case management to address physical health, behavioral health, and HRSN up to 60 days prior to release, and up to 12 months post-release. • MAT with accompanying counseling for individuals diagnosed with an SUD up to 60 days prior to release. • 30-day supply of all clinically-required prescription medication (inclusive of OTC medications) and, if applicable, a prescription/written order for DME immediately upon release. • RRSS for individuals diagnosed with an SUD up to 90 days post-release.
YDC-Placed Youth	• Case management to address physical health, behavioral health, and HRSN up to 60 days prior to release, and up to 12 months post-release. • MAT with accompanying counseling for individuals diagnosed with an SUD up to 60 days prior to release.

Eligibility Group	Benefits
	• 30-day supply of all clinically-required prescription medication (inclusive of OTC medications) and, if applicable, a prescription/written order for DME immediately upon release.
BHCDP Participants	• RRSS for individuals diagnosed with an SUD up to 90 days post-release.

Note, the Commonwealth is neither electing benchmark-equivalent coverage for any eligible population, nor will limitations on coverage be implemented beyond what is provided above. Finally, neither long-term services and supports or premium assistance for employer-sponsored coverage will be available through the Proposed Reentry Demonstration.

Section IV – Delivery System and Payment Rates for Services

Waiver benefits will be provided through the Commonwealth's approved Medicaid managed care delivery system. Services for eligible adults and youth will be provided through Kentucky's contracted Medicaid MCOs. Consistent with Section 1932(a)(3) of the Act and 42 Code of Federal Regulations (CFR) §438.52, participating adults will be given a choice of at least two entities; however, participating youth will be required to enroll with the single statewide MCO that manages the SKY program. Note, the SKY program provides Medicaid coverage for all children and foster care youth in out-of-home care, children receiving adoption assistance, youth who are dually involved, former foster care youth and Medicaid-eligible DJJ youth. All MCOs will be required to partner with correctional facilities, community-based organizations, and/or peer support agencies to meet projected provider needs based on the volume of justice-involved individuals in each of the waiver eligibility groups. Further, MCOs will be required to submit data to DMS to support monitoring of network adequacy and to ensure all contracted providers are properly credentialed and enrolled in Kentucky Medicaid. Following waiver approval, DMS will modify existing MCO contracts to align with STCs. Payment will be made through MCOs on a capitated basis according to the Commonwealth's approved methodology, and no quality-based supplemental payments are will be made to any providers or class of providers.

Section V – Implementation of Demonstration

The Commonwealth is aware of CMS' Implementation Plan requirements and is currently engaged in planning activities to support a preliminary implementation date of July 1, 2025. In addition to leveraging the significant stakeholder engagement activities outlined in Section I.B, DMS will continue to work with key stakeholders throughout the waiver negotiation period to inform planning for regulatory, policy, process, and/or protocol changes; service delivery; data collection and reporting; provider standards, billing, and/or payment rate changes; provider engagement and/or training needs; as well as community law enforcement coordination. Below, we outline the Commonwealth's general approach to implementing the proposed waiver.

Governance

Given the complex nature of the proposed waiver request, DMS recognizes that multi-partner collaboration is essential for successful implementation. As a result, DMS is establishing a dedicated implementation governance structure referred to as the Kentucky Advisory and Community Collaboration for Reentry Services (ACRES). Kentucky ACRES participants will include representation from DMS and its sister agencies, as well as correctional and community partners, technology and systems advisors, advocacy groups, reentry resource centers, and individuals with lived experience. This group will be responsible for collectively developing and implementing the proposed waiver services, policies, processes, and system integrations. Further, ACRES will ensure preparedness to meet the Proposed Reentry Demonstration's milestones and provider readiness assessment requirements, and create effective program measurement and evaluation for successful implementation and long-term sustainability.

During the implementation planning phase, DMS will leverage Kentucky ACRES to develop a policy and operational guide outlining program requirements for stakeholders responsible for implementing specific policies, protocols, regulations, and other operational requirements. Additional materials will be developed to drive awareness and ensure effective streams of communication exist among state agencies, MCOs, case managers, providers, community-based organizations, as well as justice-involved individuals and their families and/or support networks. Examples of such materials include, but are not limited to, implementation guides for providers, readiness assessment frameworks for correctional facilities and community-based organizations, and a reentry planning toolkit for individuals reentering the community. The toolkit will expand upon the current reentry packet produced by the Kentucky Department for Public Health and DOC. The toolkit will be provided by the individual's case manager and will contain important information, practical tools associated with care, action steps, and other relevant resources regarding health care benefits, housing, employment, obtaining basic forms of identification, etc.

Notification and Enrollment

DMS will leverage Kynectors, which are authorized benefits representatives, to notify and enroll individuals into the waiver. Kynectors will assess individuals' Medicaid enrollment status at the time of incarceration and, where necessary, support the individual through the application process. Individuals enrolled in Medicaid and assigned to an MCO prior to placement in a state prison or YDC will have their enrollment suspended and will maintain the same MCO when pre-release services begin. Newly Medicaid-eligible adults will be able to pre-select their MCO at the time of incarceration. Note, if an YDC-placed youth is determined to be a Medicaid member prior to placement, regardless of their prior MCO membership, they will receive benefits through the single statewide MCO that manages the SKY program.

Screening for Services

For incarcerated adults, DOC staff will administer an HRA upon intake to assess the individual's physical and behavioral health status, identify HRSNs, and determine eligibility for enhanced SUD diagnosis-related services. For YDC-placed youth, DJJ staff will administer the Massachusetts Youth Screening Instrument upon intake to assess the individual's substance use, mental health issues, and trauma, as well as the Youth Assessment and Screening Instrument to validate the individual's risk, school and family-related issues, community supports and needs,

and treatment and aftercare planning. YDC-placed youth will also be screened by DJJ medical and treatment providers upon intake, and those currently identified as being prescribed psychotropic medication prior to intake will be seen by a psychiatrist and receive a mental health evaluation by a licensed professional.

Service Delivery

DMS will establish policies and procedures to deliver the full scope of covered pre and post-release services including, but not limited to, assignment of an MCO case manager, case management services, creation of person-centered Reentry Care Plan, and MAT services for those with an SUD diagnosis. Policies and procedures will also ensure individuals are provided a 30-day supply of all clinically-required prescription medication (inclusive of OTC medications) and, if applicable, a prescription/written order for DME immediately upon release. For both eligibility groups, medications will be filled by the pharmacy contracted with DOC, a Kentucky Medicaid-enrolled provider. DMS will ensure continuity of case management by allowing individuals to maintain established provider relationships or by facilitating warm handoffs. In an effort to sustain recovery, RRSS will be aligned with the appropriate ASAM criteria and National Alliance for Recovery Residences-level requirements to support long-term success of individuals with SUD.

Technology and Data Exchange

DMS will develop and implement a shared infrastructure integrating processes and systems among agencies, correctional facilities, and community-based partners to document, capture, and exchange relevant administrative, member, and provider-related data; determine Medicaid eligibility; enroll members; conduct health screenings; share Reentry Care Plans; assess health outcomes; provide pre- and post-release services and service activation codes; enable provider enrollment and credentialing; and provide oversight and monitoring. Regarding the latter, activities will include data collection, reporting, and analysis to measure progress toward achievement of the Proposed Reentry Demonstration's hypotheses and ensure milestones are met for long-term success.

Readiness Review

DMS will implement a readiness review process to ensure all participating carceral settings, state agencies, MCOs, community organizations, and other providers are prepared to participate in the waiver providing relevant services to waiver participants. As part of the Proposed Reentry Demonstration implementation plan, DMS will develop a specified timeframe to allow for review the readiness assessments and allow for adjustments, if and where necessary. Participating carceral settings will be asked to outline their approach for meeting readiness requirements prior to, or within a specified timeframe after the planned program implementation date.

DMS anticipates developing a readiness assessment tool to collect relevant data and/or attestations of readiness in key areas including, but not limited to, Medicaid eligibility and enrollment screening and support (including benefits suspension and activation capabilities); screening for pre-release services and behavioral health linkages; billing and Medicaid provider enrollment; release date identification and notification; support of pre-release case management

and MAT; support for medication dispensing and DME prescription upon release; staffing and workforce development planning; reentry case management warm handoff with post-release service providers and behavioral health linkages; governance for collaborative partnerships among key stakeholders; infrastructure for use of technology; data sharing; and reporting, oversight and monitoring service delivery and program operations.

In addition to the eligible correctional facilities, Kentucky will provide readiness assessment tools to social service agencies, community-based providers, and others to demonstrate their readiness to deliver relevant services within the reentry program. These focus areas may include data sharing, follow-up appointments, transportation, clinical handoffs between providers, and post-release scheduling and service delivery. Using features of the readiness assessment tool, Kentucky will assess the readiness of each of these entities based on a scoring rubric to determine whether each are satisfactorily ready to operationalize their activities to meet the needs of the wavier participants. To secure approval for "go-live" the entity must receive a "pass" in all areas. If the entity receives a "partial pass" or "fail" in any area, the state will develop a corrective action plan and work with the entity to meet readiness requirements.

Section VI – Demonstration Financing and Budget Neutrality

Budget Neutrality

Pursuant to Section 1115(a) of the Social Security Act ("the Act"), states must demonstrate budget neutrality to receive approval of a demonstration waiver and to receive federal financial participation (FFP) for state expenditures that would not qualify for FPP under section 1093 of the Act. Kentucky is proposing to use the hypothetical method for calculating budget neutrality. Please note, the following calulations include individuals with CHIP coverage; however, estimated expenditures are immaterial and within the CHIP allotment. Per CMS guidance, DMS will submit the Title XXI Allotment Neutrality Worksheet as a separate file.

Demonstration Population 1: Reentry Adult Population (i.e., Incarcerated Adults and BHCDP Participant Demonstration Eligibility Groups)

The Commonwealth utilized historic enrollment, capitation rates, and claims expenditures of recently released adult individuals to develop the with and without waiver (WW and WOW) projections.

- Historic data used was from the most recent complete four calendar years (January 1, 2018 – December 31, 2021).
- Data includes all individuals aged 18 to 64 that had a suspension due to incarceration lifted in the calendar year and the suspension was at least 365 days, which was utilized to assist with estimating the population most applicable to the Proposed Reentry Demonstration.
- Member months and claims expenditures were utilized for the month(s) following release in the year in which the release occurred.
    - Claims include managed care capitation payments made along with any fee for service claims for that member that occurred in the same month.

- A risk factor adjustment was applied to population utilization to account for unwinding and expected changes in the demographic.
- Estimated eligible member months for RRSS is included in this demonstration population. Inclusion as a service provided under the Reentry population or the SUD population as part of KY Health will have an immaterial effect on calculated per member per month (PMPM) limits.

For purposes of Demonstration Population 1, the Commonwealth is proposing to utilize the estimated President's budget trend factor of 6.4 percent to trend the historic and base period data forward to each demonstration year. An additional increase anticipated for capitation payments for the managed care population from 2021 to demonstration effective date, above and beyond normal inflation, was also included in the trend to the Base Year PMPM.

Demonstration Population 2: Reentry Juvenile Population (i.e., YDC-Placed Youth Eligibility Group)

The Commonwealth utilized historic enrollment, capitation rates, and claims expenditures of recently released juvenile individuals to develop the WW and WOW projections.

- Historic data used was from the most recent complete four calendar years (January 1, 2018 – December 31, 2021).
- Data includes all individuals aged 17 and younger that had a suspension due to incarceration lifted in the calendar year and the suspension was at least 30 days, which was utilized to assist with estimating the population most applicable to the Proposed Reentry Demonstration.
- Member months and claims expenditures were utilized for the month(s) following release in the year in which the release occurred.
    - Claims include managed care capitation payments made along with any fee for service claims for that member that occurred in the same month.

For purposes of Demonstration Population 2, the Commonwealth is proposing to utilize the estimated President's budget trend factor of 5.8 percent to trend the historic and base period data forward to each demonstration year. An additional increase anticipated for capitation payments for the managed care population from 2021 to demonstration effective date, above and beyond normal inflation, was also included in the trend to the Base Year PMPM.

Budget Neutrality and Fiscal Summary

Table 5. PMPM and Annual Trend Factor by Population

Demonstration Population	Base Year PMPM	Annual Trend Factor
Reentry Adult Population	$1,347.77	6.4%
Reentry Juvenile Population	$2,714.93	5.8%

Table 6. WW and WOW Demonstration Years

WW and WOW Demonstration Years					
	DY1	DY2	DY3	DY4	DY5
Reentry Adult Population					
Eligible Member Months	16,355	16,519	16,684	16,851	17,020
PMPM Cost	$1,434.03	$1,525.81	$1,623.46	$1,727.36	$1,837.91
Expenditures Subtotal	*$23,453,561*	*$25,204,855*	*$27,085,807*	*$29,107,743*	*$31,281,228*
Reentry Juvenile Population					
Eligible Member Months	99	100	101	102	103
PMPM Cost	$2,872.40	$3,039.00	$3,215.26	$3,401.75	$3,599.05
Expenditures Subtotal	*$284,368*	*$303,900*	*$324,741*	*$346,979*	*$370,702*
Total Reentry Expenditures	***$23,737,929***	***$25,508,755***	***$27,410,548***	***$29,454,722***	***$31,651,930***

Reinvestment Plan

Consistent with SMDL #23-003, the Commonwealth will commit to developing and submitting a reinvestment plan for CMS approval during the post-approval period at the time of the Proposed Reentry Demonstration's approval. The plan will be developed in coordination with key stakeholders (e.g., DOC, DJJ, MCOs, and sister agencies), and will outline how the federal matching funds under the waiver will be reinvested throughout the approval period. DMS believes there are considerable opportunities to leverage existing carceral health care services funded with State and/or local dollars (e.g., pre-release MAT, medication supply upon release) to reinvest the total amount of federal matching funds received for such services into activities that increase access to or improve the quality of health care services and reentry supports for waiver participants. In addition to existing expenditures, DMS may elect to reinvest the State's share of expenditures for new, enhanced, or expanded pre-release services approved under the waiver. Reinvestments will not supplant existing State and/or local spending, and will be aligned with the Commonwealth's goals for the Proposed Reentry Demonstration. Preliminarily, DMS has identified a number of opportunities for reinvestment including, but not limited to, potential investments designed to improve access to and quality of physical and behavioral health care delivered in both the carceral and community-based health care settings, and to increase and enhance community-based provider capacity and availability of services and supports.

Non-Service Expenditures

The Commonwealth is strongly positioned to implement the proposed waiver request; however, DMS has identified a need for upfront and/or one-time non-service costs to enhance and/or create new linkages between Medicaid operations and Kentucky state prisons and YDCs. As such, DMS will work with CMS and key stakeholders (e.g., DOC, DJJ, and MCOs) throughout

the waiver negotiation period to determine the exact amount of time-limited support, in the form of federal financial participation, that will be required to support new expenditures to implement and expand service provision and coordination with community providers. Preliminarily, DMS has identified a number of transitional, non-service activities necessary to support the successful implementation of the waiver. These include, but are not limited to, enhanced Medicaid enrollment and suspension processes, as well as claims/billing systems; enhanced health information technology (HIT) systems that improved data exchange and linkages between Medicaid, state prisons, YDCs, MCOs, social service departments, behavioral health agencies and other community-based organizations; certified EHR technology with interoperable connections to the KHIE; enhanced telehealth capabilities for seamless service delivery when necessary; and recruiting, hiring, onboarding, and training staff to support the development of waiver-specific protocols and procedures, Medicaid and waiver eligibility determinations, as well as reentry services planning and delivery. Note, all expenditures will be "new" as a result of implementation activities associated with the waiver and will not supplant existing or otherwise planned expenditures.

Section VII – List of Proposed Waivers and Expenditure Authorities

The Commonwealth is requesting the following waivers and expenditure authorities necessary to implement the policies described in this application. DMS will work with CMS during the federal review period to make any necessary modifications to this request.

1. ***Statewideness, Section 1902(a)(1).*** To enable the Commonwealth to provide pre-release services, as described in this application, to qualifying beneficiaries on a geographically limited basis (i.e., counties where participating state prisons are located, counties where YDCs are located, and counties where the Kentucky BHCDP operates).
2. ***Amount, Duration, and Scope of Services and Comparability, Section 1902(a)(10)(B) and 1902(a)(17).*** To enable the Commonwealth to provide a limited set of pre- and post-release services, as described in this application, to qualifying beneficiaries that is different than the services available to all other beneficiaries in the same eligibility groups authorized under the State Plan or the TEAMKY Demonstration.
3. ***Freedom of Choice, Section 1902(a)(23)(A).*** To enable the Commonwealth to require qualifying beneficiaries to receive pre- and post-release services, as described in this application, through only certain providers.
4. ***Expenditures Related to Pre-Release Services.*** Expenditures for pre-release services, as described in this application (i.e., case management and MAT), provided to qualifying beneficiaries who would be eligible for Medicaid if not for their incarceration status, for up to 60 days immediately prior to the expected date of release from a state prison or YDC.
5. ***Expenditures Related to Post-Release Services.*** Expenditures for post-release services, as described in this application (i.e., RRSS), provided to qualifying beneficiaries, for up to 90 days immediately following the date of release from a participating state prison or enrollment in the Kentucky BHCDP.

6. ***Expenditures for Pre-Release Administrative Costs.*** Capped expenditures for payments for allowable administrative costs, services, supports, transitional non-service expenditures, infrastructure, and interventions, which may not be recognized as medical assistance under Section 1905(a), or may not otherwise be reimbursable under Section 1903 to the extent such activities are required as part of this application.

Title XXI Expenditure Authority

1. ***Expenditures Related to Pre-Release Services.*** Expenditures for pre-release services, as described in this application, provided to qualifying beneficiaries who would be eligible for CHIP, if not for their incarceration status, for up to 60 days immediately prior to the expected date of release from a participating state prison or YDC.

Section VIII – Public Notice

Tribal Notice

Kentucky does not have any tribal units.

Public Notice

Prior to submitting the Proposed Reentry Demonstration request to CMS, DMS will follow all guidelines and procedures according to 42 CFR § 431.408 regarding collection, review of, and response to, public comments.

KENTUCKY MEDICAID PROGRAM PUBLIC NOTICE

Kentucky Medicaid Section 1115 Demonstration: TEAMKY (formally known as Kentucky Helping to Engage and Achieve Long Term Health (KY HEALTH))

In accordance with 42 CFR 431.408, the Cabinet for Health and Family Services (CHFS), Department for Medicaid Services (DMS) announces its intention to file a Section 1115(a) Demonstration application with the Centers for Medicare and Medicaid Services (CMS), to request Medicaid coverage for certain transitional services to identified individuals who are soon-to-be former inmates of designated public institution.

The goal of the Demonstration is to improve transitions by leveraging the Commonwealth's existing reentry efforts and expanding services to create greater continuity of care. Under the Demonstration, eligible members will receive case management pre and post release to address physical health, behavioral health, and health related social needs; medication assisted treatment (MAT) for SUD as clinically appropriate for up to 60 days pre-release; and a 30-day supply of all clinically required prescription medications and, if applicable, a prescription/written order for durable medical equipment (DME) immediately upon release. DMS is also requesting authorization to provide Recovery Residence Support Services (RRSS) for eligible adults diagnosed with an SUD who are soon-to-be former inmates of designated public institution, as well as individuals with SUD participating in the Kentucky Behavioral Health Conditional Dismissal Program, for up to 90 days post-release. Upon approval, provision of these services will strengthen coordination of care, enhance health outcomes for this population, and reduce recidivism rates.

Public Forums

DMS will hold two virtual forums on the following dates:
Monday, November 27 at 10:30 a.m. – 12:00 p.m. EST
Friday, December 1 at 2:00 p.m. – 3:30 p.m. EST

Join on your computer or mobile app via Microsoft Teams:
https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting
Meeting ID: 231 643 387 148, Passcode: NSd8Zx
Or call in (audio only): 1-502-632-6289, Conference ID: 991 249 615#

Public Comments

A draft of the Demonstration amendment application and copies of this notice are available on the Review the Public Notice and Amendment Application.

Notices are available in the following news publications: Louisville Courier-Journal, Lexington Herald Leader, and the Cincinnati Enquirer.

Comments or inquiries should be submitted via email received on or before December 9, 2023 to: 1115 KY Reentry.

Written comments must be postmarked by December 9, 2023 and mailed to:

Kentucky Medicaid Section 1115 Comment
C/o DMS Commissioner's Office
275 E. Main St. 6W-A
Frankfort, KY 40621

Response to Public Comments

As noted above, DMS conducted two virtual public forums in accordance with 42 CFR § 431.408(3) to inform the public of the Commonwealth's intent to request approval for the Proposed Reentry Demonstration, the application contents, and the public comment process itself. The first public forum, conducted Monday, November 27, 2023 from 10:30 a.m. to 12:00 p.m. EST via Microsoft Teams, had a total of 99 attendees. The second public forum, conducted Friday, December 1, 2023 from 2:00 p.m. to 3:30 p.m. EST via Microsoft Teams, had a total of 76 attendees. Forum presentations and recordings are available via the the DMS website.

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Summary of Comments Received

- Four comments provided recommendations regarding the inclusion of jails.
- Five comments had recommendations regarding inclusion of additional services including vocational support, hepatitis C screening and treatment, 12-month continuous coverage, and community-based services.
- Two comments cited concerns regarding incarceration rates including comments expressing concerns that the amendment may increase incarceration rates.

Direct Responses to Comments

Summary of Comment: DMS received a comment from an individual noting concerns regarding lack of providers in the reentry space, specifically DJJ and DOC systems. The commenter asked if DMS has plans to address this workforce shortage.
Response: DMS will continue to collaborate with key stakeholders including, but not limited to, DJJ and DOC, throughout the implementation period to plan for and ensure sufficient capacity and capabilities exist to provide the services outlined in the waiver.

Summary of Comment: DMS received a comment from an individual asking if the 1115 waiver will only apply to those housed in state prisons and exclude those in county jail facilities.
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Summary of Comment: DMS received a comment from an MCO with several questions regarding implementation of the waiver (e.g., claims and rate setting, case management protocols, if services will be voluntary, and involvement of stakeholders).
Response: DMS acknowledges there will be many decisions to be made during the implementation period. For this reason, the waiver implementation timeline is designed to allow for continued consultation and collaboration among stakeholders to carefully consider all necessary decisions, including those identified by the commenter.

Summary of Comment: DMS received two comments from individuals offering general support for the waiver.
Response: DMS appreciates your support for this waiver and thanks you for your comment.

Summary of Comment: DMS received a comment from an individual offering support for the waiver and voicing concern that existing services may be cut or become more difficult to obtain.
Response: DMS appreciates your support for this waiver and thanks you for your comment. This waiver seeks to expand access to critical services for incarcerated individuals, and DMS has no intention of reducing services currently available to the populations of interest.

Summary of Comment: DMS received a comment from an advocacy organization offering support for the waiver.
Response: DMS appreciates your support for this waiver and thanks you for your comment.

Summary of Comment: DMS received a comment from an advocacy organization offering broad support for the waiver, as well as the decision to exclude pretrial detainees (i.e., a change from the Commonwealth's prior incarceration waiver request). The commenter also expressed concern about excluding individuals housed in county jails and suggested inclusion of this population in the waiver request.
Response: DMS appreciates your support for this waiver and thanks you for your comment. The waiver request is currently limited to individuals housed in state prisons or YDCs to facilitate timely implementation and ensure long-term success. Once the waiver has been established, Kentucky will evaluate opportunities to expand access to other carceral settings, such as county jails.

Summary of Comment: DMS received a comment from an individual offering support for the waiver. The commenter also recommended that, in addition to providing MAT services in the 60 days prior to release, all inmates be screened for hepatitis C, and, if positive, that treatment be initiated within sufficient time to be completed prior to release. The commenter further recommended that inmates unable to initiate treatment while incarcerated be dispensed a full

course of treatment in their first encounter upon release.
Response: DMS appreciates your support for this waiver and thanks you for your comment. This waiver aims to address the specific concerns outlined in SMDL-23-003, and responsibility for general health concerns of incarcerated individuals remains with DOC. Should an individual be diagnosed with and begin receiving treatment for any physical or mental health disorders prior to release, all clinically appropriate medications will be provided for 30 days post-release under this waiver.

Summary of Comment: DMS received a comment from an advocacy organization offering general support of many components of the waiver. The commenter also recommended establishing mechanisms for correctional facilities to contract with Medicaid providers independently. The commenter further expressed concerns about excluding pre-adjudicated defendants from the waiver, citing the potential for higher conviction rates and increases in the prison population. Finally, the commenter recommended incorporating vocational training into the waiver and requested continuing engagement with stakeholders throughout the waiver implementation period.
Response: DMS appreciates your support for this waiver and thanks you for your comment. DMS aims to align the waiver with SMDL-23-003, which seeks to "improve care transitions for *incarcerated individuals exiting a public institution* and who are otherwise eligible for Medicaid" (emphasis added). The waiver will not change the way laws are enforced or prosecuted, and it does not prolong or encourage incarceration in order to receive treatment. Once the waiver has been established, Kentucky will evaluate opportunities to expand the service array offered to participants. Further, DMS acknowledges there will be many decisions to be made during the implementation period. For this reason, the waiver implementation timeline is designed to allow for continued consultation and collaboration among stakeholders.

Summary of Comment: DMS received a comment from an advocacy organization offering support for the waiver and recommending inclusion of jails and county institutions.
Response: DMS appreciates your support for the waiver and thanks you for your comment. The waiver request is currently limited to individuals housed in state prisons or YDCs to facilitate timely implementation and ensure long-term success. Once the waiver has been established, Kentucky will evaluate opportunities to expand access to other carceral settings, such as county jails.

Summary of Comment: We received a comment from an advocacy organization expressing general support for the waiver. The commenter also recommended the expansion of pre-release services to 90 days to allow for the completion of treatment for hepatitis C prior to release, the inclusion of jails, and the development of strict reporting guidelines for MCOs to document outreach and case management.
Response: DMS appreciates your support for the waiver and thanks you for your comment. This waiver aims to address the specific concerns outlined in SMDL-23-003, and responsibility for general health concerns of incarcerated individuals remains with DOC. The waiver request is currently limited to individuals housed in state prisons or YDCs to facilitate timely implementation and ensure long-term success. Once the waiver has been established, Kentucky will evaluate opportunities to expand access to other carceral settings, such as county jails. Finally, DMS acknowledges there will be many decisions to be made during the implementation

period. For this reason, the waiver implementation timeline is designed to allow for continued consultation and collaboration among stakeholders, including MCOs, to carefully consider all necessary decisions, including those identified by the commenter.

Summary of Comment: DMS received a comment from an advocacy organization expressing general support for the waiver and recommending that the waiver should seek to: 1) prevent incarceration through the provision of community-based services; 2) include coordinated enrollment pre-release; 3) include case management to address physical health, behavioral health, and HRSN up to 60 days pre-release and 12 months post-release; 4) address hepatitis C in carceral settings; and 5) add 12 month continuous Medicaid coverage for all members post-release from carceral settings.
Response: DMS appreciates your support for the waiver and thanks you for your comment. DMS aims to align the waiver with SMDL-23-003. Once the waiver has been established, Kentucky will evaluate opportunities to expand the service array offered to participants.

Summary of Comment: DMS received comments from members of an advocacy organization expressing general support for the waiver and recommending that the waiver: 1) include individuals in jails and individuals on probation or parole; 2) ensure individuals are not denied treatment due to a clean urine screen; 3) encourage collaboration between community partners and carceral facilities; 4) include additional funding for MAT and treatment of mental health; 5) expand Medicaid to cover additional populations; 6) attempt to eliminate additional barriers to relapse by providing access to employment, transportation, and housing; and 7) increase collaboration with community mental health counselors.
Response: DMS appreciates your support for the waiver and thanks you for your comment. DMS aims to align the waiver with SMDL-23-003. Once the waiver has been established, Kentucky will evaluate opportunities to expand the service array offered to participants, as well as opportunities to expand access to other carceral settings, such as county jails. Further, DMS acknowledges there will be many decisions to be made during the implementation period. For this reason, the waiver implementation timeline is designed to allow for continued consultation and collaboration among stakeholders to carefully consider all necessary decisions, including those identified by the commenter. Finally, expansion of Medicaid coverage for additional populations is beyond the scope of this waiver.

Waiver Revisions

While no changes have been made to the waiver as a result of public comments received, DMS has incorporated additional information in the *Administrative* section, beginning on page 13, to describe the efforts undertaken by DBHDID to support the justice-involved population. This addition does not make any substantive changes to the waiver and is only intended to provide CMS with supplemental information to support its review of the waiver submission. Pursuant to direction received from CMS, DMS has also updated the *Budget Neutrality* section, beginning on page 26, to address the inclusion of Kentucky CHIP expenditures for both the general population and populations included under this waiver. This addition does not make any substantive changes to the waiver and is only intended to provide CMS with supplemental information to support its review of the waiver submission.

Section IX – Demonstration Administration

Please provide the contact information for Kentucky's point of contact for the Demonstration application.

Name: Leslie H. Hoffmann

Title: Deputy Commissioner

Agency: Department for Medicaid Services

Address: 275 East Main Street

City/State/Zip: Frankfort, Kentucky 40601

Telephone Number: 502.564.4321, Ext. 2883

Email Address: leslie.hoffmann@ky.gov

KENTUCKY MEDICAID PROGRAM PUBLIC NOTICE
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Kentucky Medicaid Section 1115 Comment
c/o DMS Commissioner's Office
275 E. Main St. 6W-A Frankfort, KY 40621

TEAM KENTUCKY®

CABINET FOR HEALTH AND FAMILY SERVICES

Kentucky Department for Medicaid Services

Section 1115 Reentry Demonstration Response to Public Comment

December 22, 2023

Public Notice

Prior to submitting the Proposed Reentry Demonstration request to CMS, DMS followed all guidelines and procedures according to 42 CFR § 431.408 regarding collection, review of, and response to, public comments.

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KY Medicaid Recovery Residence Support Service (RRSS)

Recovery Residence Support Services (RRSS) shall be:

- Non-clinical activities necessary to support individuals recovering with substance use disorders to live with maximum independence in the community through skills training and coaching techniques. Activities shall include supporting individuals to:
    - Navigate systems of care such as healthcare, social service, and judicial systems,
    - Remove barriers to recovery,
    - Stay engaged in the recovery process, and
    - Live full lives of their choice.

Services, shall include:

- Conducting a Recovery Capital Assessment Plan and Scale (ReCAPS) or review an established recovery capital assessment plan and scale upon admission and reviewed monthly thereafter.
- Development of an individualized Recovery Management Plan to include:
    - Identifying issues that may compromise an individual's recovery.
    - Establishing recovery goals and objectives needed to obtain independent living by:
        - Removing barriers to recovery,
        - Skills to addresses and mitigate urges and cravings,
        - Building and increase motivation for recovery,
        - Identifying steps to remain engaged in the recovery process,
        - Building recovery capital, and
        - Building long-term supportive and collaborative relationships.
    - Relapse prevention strategies
    - Transition planning
    - The recovery management plan, shall be:
        - developed by the individual and recovery residence staff, and
        - reassessed and reviewed monthly.
- Direct affiliation with, or close coordination and collaboration with other programs that may include more intensive levels of care,
- Promotion and support of Medication Assisted Treatment (MAT) of individual's choice, and
- Delivery of evidence-based, non-clinical groups such as manualized mutual aid meetings, including but not limited to SMART Recovery's Successful Life Skills, Recovery Dynamics, White Buffalo, or Double Trouble in Recovery.

RRSS is provided:

- In a certified National Association of Recovery Residences (NARR) Level 2 or 3 recovery residence in accordance with the Kentucky Recovery Housing Network (KRHN) standards that provide 24-hour monitoring and support to members of the recovery residence.
- To individuals participating in the Behavioral Health Conditional Dismissal Program that meet ASAM Level 2.5 or less as determined by the SB90 Assessor or participating behavioral health treatment program provider with experience compounding health related social needs (HRSN), which may include homelessness, unemployment, and history of criminal justice involvement.

RRSS staff shall have the ability to:

- Assist and support individuals in meeting recovery management plan goals,
- Recognize signs of distress and threats to safety among peers and in their environments,
- Rapidly re-engage the individual in SUD or mental health treatment as needed,
- Rapidly refer and/or re-engage the patient for assessment of the need for addiction or mental health treatment, and
- Provide care coordination to include:
    - Supporting access to and encouraging:
        - Participation in mutual self-help health programs (if not offered on-site).
        - Participation in other community activities supportive of recovery which may include recovery community centers, recovery ministries, recovery-focused leisure activities and recovery advocacy opportunities.
    - Assisting individuals with accessing and navigating:
        - Social agencies (Children and Family Services, criminal justice agencies, etc.) as needed.
        - Community and social services needed to obtain independent living such as housing, vocational, educational services and supports.
    - Coordinating ongoing treatment for:
        - Behavioral health needs, including coordination of and ensuring participation in recovery management checkups with appropriate behavioral health practitioners, and
        - Primary care needs, including ensuring individual establishes Primary Care Provider

RRSS may be provided by:

- Certified peer support specialists according to 908 KAR 2:220 with lived substance use experience and trained in recovery capital, or
- Registered alcohol and drug peer support specialist defined KRS 309.080(12) with lived substance use experience and training in recovery capital, and may include,
- Targeted Case Managers certified according to 908 KAR 2:260 with working experience in substance use disorder and training in recovery capital.

All recovery residence staff should have at minimum, training in:

- Suicide Prevention
- Motivational Interviewing
- Trauma Informed Care
- Recovery Capital
- Harm Reduction
- Maintaining Self-Care
- Cultural Responsiveness and Competence
- Crisis Response

For a recipient receiving recovery residence support services for a substance use disorder, the following shall not be billed or reimbursed for the **same date of service** for the recipient:

- Residential services for substance use disorders
- Peer Support Services
- Targeted Case Management

Data Collection

RRSS providers are required to monitor and quarterly report the following for each participating individual:

- Social service agency involvement
- Mutual aide group involvement
- Medical and behavioral health referrals
- Community service referrals
- Recovery capital assessment scores
- Satisfaction questionnaire upon discharge
- Locus of Control LOC-1
- Self-reported overall health rating
- Higher education status
- Discharge status

DMS will monitor and report:

- Total Member Expenditures
- Utilization of services including:
  - Primary Care Encounters
  - Preventative Care Encounters
  - Emergency Department Encounters
  - Inpatient Stays
  - Behavioral Health Encounters
  - Utilization of Non-Emergency Transportation