

## Medicaid 1115 Waivers and Corrections Settings

The Criminal Justice – Continuum of Care team of the Idaho Behavioral Health Council has recently identified potential opportunities for cross-agency coordination between the Idaho Departments of Corrections and Juvenile Corrections and the Department of Health and Welfare through a Medicaid 1115 waiver. These opportunities include funding pre-release services for Idahoans in the custody of IDOC/IDJC and for post-release supported housing services. By redirecting existing state funding through a Medicaid waiver program, services may be improved, and additional federal funding may be accessed to allow for better community re-entry outcomes.

**What is an 1115 waiver?** An 1115 waiver is a way for state Medicaid programs to innovate and demonstrate care models outside of established Medicaid services or programs. Section 1115 of the Social Security Act allows the federal Centers for Medicare and Medicaid Services (CMS) to approve these waivers within established regulatory guardrails. Development of an 1115 waiver application requires extensive investment by the Medicaid program and other agency or community partners. The CMS review and approval process is similarly extensive and thorough. Successful 1115 programs typically require 2-4 years to develop and implement.

**How can 1115 programs work in a correctional setting?** Waivers allow for coverage of defined Medicaid benefits for inmates who otherwise would be categorically excluded from Medicaid coverage. Section 5032 of the SUPPORT Act (2018) directed the federal government to specifically create waiver opportunities to improve care transitions for people soon to be released from incarceration. In 2023 CMS published [guidance](#) to states for 1115 waivers around transitional Medicaid services to support community re-entry for people being released from correctional institutions.

**What are the objectives of 1115 correctional setting waivers?** CMS goals for these services include increasing health coverage, continuity of coverage, access to services and improving coordination and communication between correctional settings and Medicaid systems and providers, as well as reducing deaths and the use of acute services for Medicaid members.

**What states have 1115 waivers for these services?** Currently 19 states have approved waivers enabling pre-release services (AZ, CA, CO, DC, HI, IL, KY, MA, MD, MI, MT, NH, NM, NC, OR, PN, UT, VT, WA, WV) and 7 other states and DC (AR, CT, DC, LA, NV, NJ, NY, RI) have waivers under review by CMS.

**Who can apply for 1115 waivers?** Only the state Medicaid agency may apply.

**What services can be covered?** Generally, case management, medication assisted treatment for substance use disorders, and pre-release prescription medications must be covered, along with other services to meet CMS goals at the option of the state.

### Key Considerations for Implementation

Idaho currently has an approved 1115 Behavioral Health Transformation Waiver to cover hospital psychiatric and other services for the general Medicaid population. Any amendment would require legislative authorization, identification of state funding to support the non federal share, and strong cross agency coordination among the Department of Health and Welfare, IDOC, IDJC, and community providers. Idaho would also need to assess operational readiness, including Medicaid eligibility processes prior to release, data-sharing capabilities, provider capacity to deliver pre-release services, and alignment with existing re-entry and supervision programs.