



CABINET FOR HEALTH  
AND FAMILY SERVICES

**Department for Medicaid Services**

**Section 1115 Demonstration 101**

**Primary Care TAC**

*June 27, 2024*

*10:00AM– 12:00PM EST*

# What is a Section 1115 Demonstration?

---

- An 1115 Demonstration is often described as a pilot or demonstration project that is likely assist in promoting the objectives of the Medicaid program. The purpose of the demonstration is to give states additional flexibility to design and improve their programs.
- An 1115 Project presents an opportunity for states to institute reforms that go beyond just routine medical care and focus on evidence-based interventions that drive better health outcomes and quality of life improvements.
- A Demonstration must also be "budget neutral", which means during the project, Federal Medicaid expenditures will not exceed more than Federal spending without the demonstration. The cost of services must be less than or equal to the cost of services provided today.

# Section 1115 Requirements

---

## Center for Medicare and Medicaid Service (CMS) Guidance



CMS issues State Medicaid Directors Letters (SMDLs):

- Guidance regarding Demonstration opportunities and what states and others need to do to comply.
- Includes Demonstration Goals and Milestones.

## Submitting Requests

- Conduct Stakeholder Engagement and Research
- Draft Demonstration Application
- Conduct Public Forums
- Revise Application
- Submit to CMS

# Post-Demo Submission Deliverables

---

CMS expects states with approved Demonstration(s) to complete:

- Waiver Submission Completeness Check
- Federal Public Comment
- Waiver Negotiations
- Implementation Plan
- Reinvestment Plan (*Reentry Only*)
- Monitoring Protocol
- Quarterly/Annual Monitoring Reports
- Mid-Point Assessment Report
- Evaluation Design

# Kentucky's Section 1115 Demonstration

---

**Kentucky's Section 1115 Demonstration entitled "TEAMKY (formally known as Kentucky Helping to Engage and Achieve Long Term Health (KY HEALTH))" was approved January 2018.**

**Current Demonstration is approved through September 30, 2024:**

- **Substance Use Disorder (SUD) Section 1115:**
  - Allows reimbursement for SUD residential treatment as a statewide average length of stay of 30 days, and
  - Waives the Institution for Mental Disease (IMD) Exclusion to allow reimbursement for up to 96 beds for programs that meet qualifications and standards required under Demonstration milestones.
    - Milestone Example: *"Use of Nationally Recognized SUD-specific Program Standards to Set Provider Qualifications for Residential Treatment Facilities states must ensure that the following criteria are met: Implementation of residential treatment provider qualifications that meet the ASAM Criteria or other nationally recognized, SUD-specific program standards regarding the types of services, hours of clinical care and credentials of staff for residential treatment settings; Implementation of a state process for reviewing residential treatment providers to assure compliance with these standards; and Implementation of a requirement that residential treatment facilities offer MAT on-site or facilitate access off site."*
- **Eligibility for out of state former foster care youth (FFCY):**
  - Extends Medicaid eligibility to FFCY aged 18 to 26, and who were in foster care under the responsibility of another state.

# Pending Requests

---

## **Serious Mental Illness (SMI) Section 1115**

- Reimburse medically necessary short-term, defined as a state-wide average length of stay no longer than 30 days, inpatient treatment services within settings that qualify as IMDs for adults with serious mental illness (SMI).

## **Recuperative Care Pilot**

- Request authority to reimburse for recuperative care services, also known as medical respite care, to adult beneficiaries who are homeless or at risk of homelessness requiring additional medical support and care coordination following a hospital stay.

## **Reentry Section 1115**

- Request Medicaid coverage for certain transitional services to identified individuals who are soon-to-be former inmates of designated public institution to ensure continuity of health care coverage pre- and post-release and facilitate warm linkages to medical and behavioral health services upon release.

## **Recovery Residence Support Service (RRSS)**

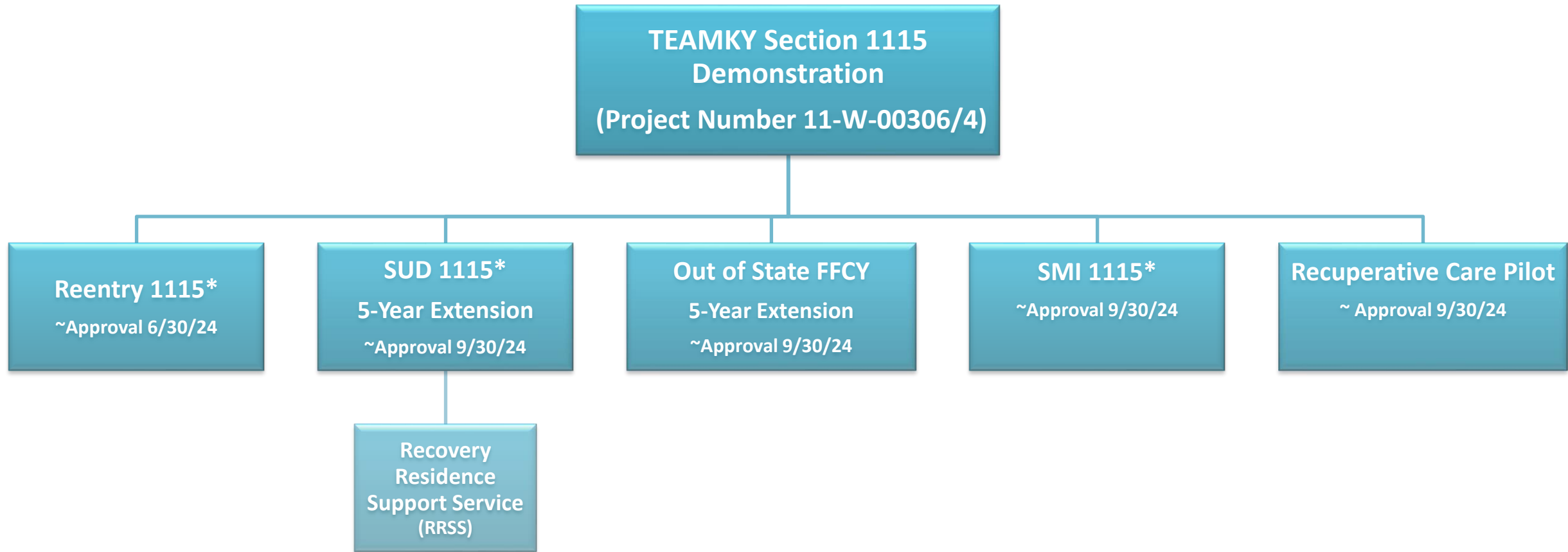
- Request authority to reimburse up to 90 days for Recovery Residence Support Services (RRSS) for eligible adults with an SUD who are soon-to-be former inmates of designated public institution or participating in the Kentucky Behavioral Health Conditional Dismissal Program.

# Reentry Target Populations and Benefits Package

Reentry Program	Adults	Juveniles
<b>Enrollment &amp; Suspension</b>	<ul style="list-style-type: none"> <li>Initiate Medicaid application process for incarcerated individuals.</li> <li>Begin no later than 60 days before expected release date.</li> <li>Once enrolled, suspend, not terminate eligibility.</li> </ul>	<ul style="list-style-type: none"> <li>Initiate Medicaid application process for confined youth.</li> <li>Begin no later than 60 days before expected release date.</li> <li>Once enrolled, suspend, not terminate eligibility.</li> </ul>
<b>Pre-Release Services Timeframe</b>	60 Days	60 Days
<b>Benefit &amp; Service Package</b>	<ul style="list-style-type: none"> <li>Case Management.</li> <li>Medication Assisted Treatment (MAT) – Requires SUD diagnosis.</li> <li>30-day supply of medication.</li> <li>Recovery Residence Support Services (RRSS) – Requires SUD diagnosis.</li> </ul>	<ul style="list-style-type: none"> <li>Case Management.</li> <li>Medication Assisted Treatment (MAT) – Requires SUD diagnosis.</li> <li>30-day supply of medication.</li> </ul>
<b>Pre-Release Service Facilities/Locations</b>	14 State Prisons*	DJJ Youth Development Centers* (Youth adjudicated and committed to DJJ custody)
<b>Populations</b>	<ul style="list-style-type: none"> <li>All Adults.</li> <li>All Aged, Blind, Disabled.</li> <li>All Pregnant or Postpartum.</li> </ul>	<ul style="list-style-type: none"> <li>All Youth under age 19.</li> <li>All former Foster Youth.</li> </ul>
<b>Service Delivery Methods</b>	In-person and Telehealth	In-person and Telehealth

# TEAMKY 1115 Components

*As of December 2023 Amendment*



\*Full Demonstration and includes prescribed milestones and monitoring requirements by CMS.



# Questions?

**DMS HOME**



**DMS BH ISSUES**



angela.sparrow@ky.gov

# Appendix

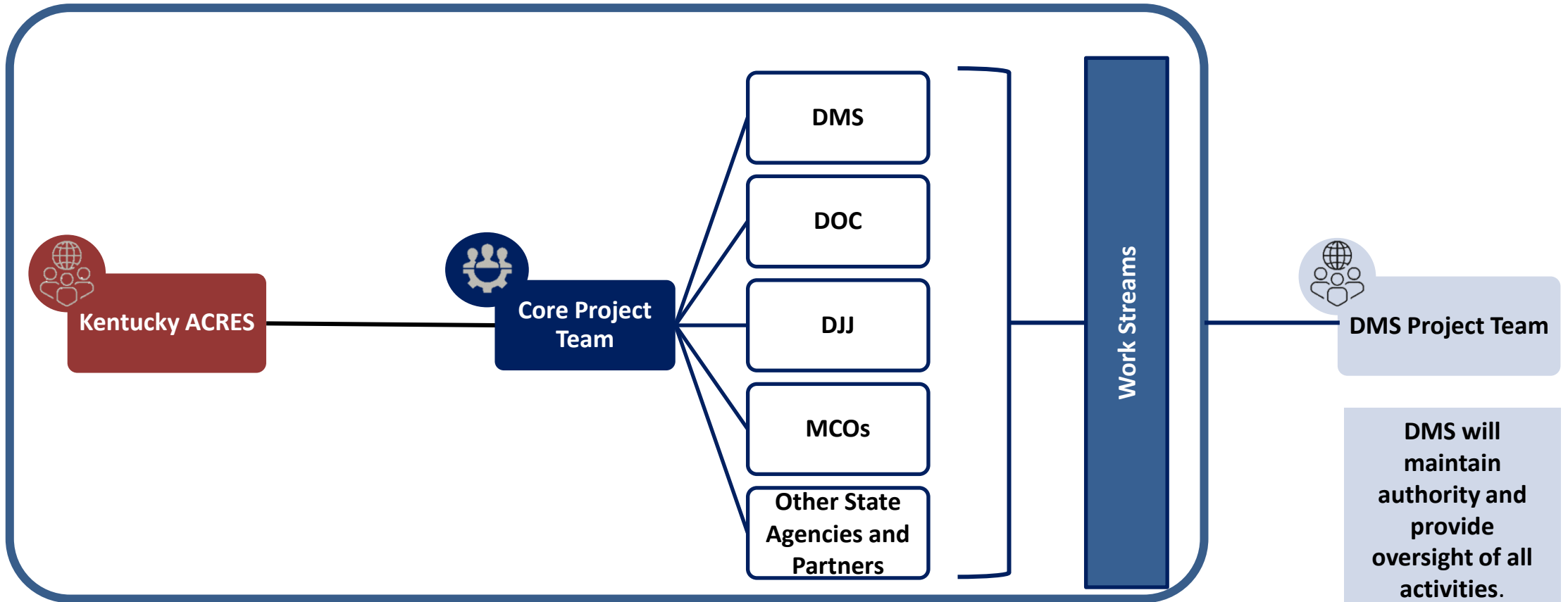
# Reentry Advisory Workgroup Participation

**ACRES  
Workgroup  
Contains  
Representation  
From...**

- Department for Medicaid Services (DMS)
- Department for Behavioral Health, Developmental, and Intellectual Disabilities (DBHDID)
- Department for Community Based Services (DCBS)
- Office of Drug Control Policy (ODCP)
- Department for Public Health (DPH)
- Department of Corrections (DOC)
- Department of Juvenile Justice (DJJ)
- Administrative Office of the Courts (AOC)
- Managed Care Organizations (MCOs)
- Medicaid Technical Advisory Committees (TACs)
- Community Partners
- Advocacy Organizations
- Individuals with Lived Experience



# Reentry Program Governance & Project Oversight



## Role of Kentucky ACRES

- Provides Executive-level oversight and strategic direction to the project team.
- Ensures alignment of the broader Reentry goals and objectives.

## Role of the Core Project Team

- Focused on implementation tasks and project needs.
- Supports policy development and strategy execution.
- Executes strategies according to policy.
- Provides direct oversight of the project work streams.

Final approval of demonstration policy will be guided by CMS Guidance.

DMS will maintain authority and provide oversight of all activities.

# Reentry Project Oversight and Work Streams

