



# 1115 SUD Incarceration Amendment and Medicaid Initiative

**HB352 Passed Legislation (April 15, 2020)**

**Presented to the Behavioral Health TAC**

**09.09.20**



# HB 352

## Substance Abuse Treatment for Incarcerated Individuals - Medicaid Demonstration Waiver:

<https://apps.legislature.ky.gov/recorddocuments/bill/20RS/hb352/bill.pdf>

- Page 63, within ninety days after the effective date of this Act, the Department for Medicaid Services shall develop and submit an application for an 1115 demonstration waiver under 42 U.S.C. sec. 1315 to provide Medicaid coverage for substance use disorder treatment, including peer support services, to individuals incarcerated for a conviction under KRS Chapter 218A. Upon approval of the waiver, the cost of treatment for a substance use disorder or patient navigation provided by a licensed clinical social worker shall be a covered Medicaid benefit for an incarcerated individual.
- Page 77, The Department of Corrections has the same bill language included.

**Currently the Centers for Medicare and Medicaid Services (CMS) does not allow for State Medicaid Agencies to cover the cost of services to incarcerated individuals, except when discharged for 24 hours.**

# What is an 1115 Waiver?

## 1115 Waiver

- An 1115 waiver 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 demonstration 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" to the Federal government, which means that, during the course of the project, Federal Medicaid expenditures will not be more than Federal spending without the demonstration.

# Kentucky's 1115 SUD Incarceration Initiative

- Kentucky is requesting approval from the Centers for Medicare and Medicaid Services (CMS) for an amendment to its Medicaid Substance Abuse Disorder (SUD) 1115 waiver to authorize federal Medicaid matching funds for the provision of SUD treatment to eligible incarcerated individuals. Coverage for these services is requested for persons incarcerated in state and county facilities.
- The objective of the amendment will be twofold:
  - Provide SUD treatment to eligible incarcerated individuals in order to ensure this high risk population receives needed treatment before release, and to strengthen follow up care with a Medicaid provider after release by paying for SUD treatment while incarcerated; and
  - Allow the recipient's chosen MCO to coordinate aftercare with a Medicaid provider 30 days before release.
- Kentucky will be the first state in the nation to request this type of SUD incarceration amendment. The entire initiative will be pending CMS approval.

# Kentucky's 1115 SUD Incarceration Initiative

## Progress

- The Department for Medicaid Services (DMS), Department for Behavioral Health (DBHDID), Office of Inspector General (OIG), and the Department of Corrections (DOC) developed a united team to work on Kentucky's initiative.

TIMELINES	
<b>Timeframe for Commissioners/Cabinet Secretaries:</b>	Estimated 09.11.2020
<b>CMS requested additional draft review:</b>	Estimated date back 09.21.20
<b>Public Comment:</b>	Estimated on the street 09.30.2020
<b>Timeframe to CMS:</b>	10.30.2020

## For Additional Information Contact:

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