

Getting Ready: Key Elements for the Implementation of Section 5121 Youth Requirements in Adult Correctional Facilities

To prepare to implement Section 5121 of the Consolidated Appropriations Act (CAA) of 2023, state corrections and/or local jails should take actions in seven key areas:

1. Engaging Stakeholders

- Contact their state Medicaid agency (SMA) to discuss implementing the new CAA 2023 provisions and share corrections' perspectives.
- Connect with peers (e.g., state sheriffs' association, state department of corrections) to share promising implementation practices and highlight potential challenges.
- Engage community providers, correctional medical providers, courts, probation and parole, juvenile justice administrators, advocates, people with lived experience, community leaders, membership organizations, and state and national trade associations to identify opportunities and challenges.
- Possible engagement activities include sequential intercept mappings, reentry simulations, and focus groups for individuals with lived experience.

State Medicaid Agency—Key Roles & Responsibilities

It is crucial that correctional administrators and leaders collaborate with their state Medicaid agency (SMA) during decision-making processes to ensure a successful implementation of Section 5121 of the Consolidated Appropriations Act (CAA) of 2023.

SMAs operate state Medicaid programs within federal guidelines established by the Centers for Medicare & Medicaid Services (CMS). They are accountable to the federal government for program operations and integrity. SMAs make decisions about who is eligible for Medicaid, how people enroll, what services are offered, and how much service providers are paid. As a result, state Medicaid programs vary from one another.

SMA must obtain federal approval for many decisions. Each state has a federally approved state plan that governs their programs and enables them to receive federal Medicaid matching payments. When states change their Medicaid programs, they submit a state plan amendment (SPA) for CMS' review and approval. SMA will submit SPAs detailing how they will implement the youth continuity of care provisions. SPAs are due March 31, 2025. Changes to state plans for the Children's Health Insurance Program (CHIP) follow a similar process. SMA must create operational plans for implementing the youth provisions, although SMA are not required to submit the plans to CMS. Correctional facilities and SMA should collaborate to develop the SPAs and operational plans.

Correctional administrators should collaborate with SMA on drafting the operational plan that will support the SPA submission. The key elements outlined in this document will help correctional systems and facilities plan for implementation and align with state level requirements.

The internal operational plan should include the following (Tsai, 2024):

- Actions to amend or establish an operational system that performs key functions, including data exchange between SMA, correctional administrators, and correctional and community health care providers. A plan for ongoing updates to the operational system should be included.
- Procedures to support Medicaid and CHIP eligibility, enrollment, applicable notifications, and claims processing.
- Processes to ensure the most timely provision of screening and diagnostic services, if services cannot be covered beginning 30 days before release.
- Policies, procedures, and processes to ensure pre-release services do not delay an individual's release or lead to increased involvement in the juvenile or adult justice systems.
- New or updated staff-level operational policies and procedures that describe how the new requirements impact workflows and processes.
- New or updated provider and beneficiary-level processes, procedures, policies, and systems that relate to accessing services, if impacted by the new requirements. Examples could include case management, prior authorization, linkages with managed care plans, payment, claims processing, and data analysis.
- Training and outreach actions.
- Integration with current Medicaid and CHIP operations, such as hearings and appeals, beneficiary notices, record retention, and disaster planning and continuity of operations.

2. Organizing Agencies and Establishing Initial Plans

- Deputize a leader and/or team to prepare for implementation.
- Require that leader/team to prepare a plan for screening, diagnostic, and case management service delivery. The leader/team should work with their facility's medical provider and community organizations that serve the eligible population. The plan should align with the SMA. To establish the plan, the leader/team should:
 - Understand the medical, behavioral, and dental health screening and diagnostic services their facility offers.
 - Assess how targeted case management (TCM) services are deployed in their facility.
 - Work with their SMA to determine if existing screening and diagnostic services and TCM services align with state Medicaid standards.

- Decide the following and ensure inclusion in the plan:
 - Will new or expanded screening and diagnostic services be provided by a community or correctional provider? Screening and diagnostics services may be delivered in person and/or via telehealth.
 - Who will deliver TCM services before and after release—community providers, correctional providers, or a hybrid? TCM services may be delivered in person and/or via telehealth.
 - Will services be delivered within 30 days before release, no later than 1 week, or as soon as practicable after release? Which option?
 - How will service provision be overseen? What performance measures will be used?

3. Determining Eligibility and Enrollment Processes

- Create a process for assessing incarcerated persons' Medicaid/Children's Health Insurance Program (CHIP) coverage status and enrolling individuals in Medicaid while in custody, including providing application support. Consider ways to start assessing coverage status and enrollment upon intake.
- If not already in place, establish a process, in collaboration with your SMA, for suspending and reactivating Medicaid benefits during incarceration. Please consider:
 - Benefits suspension would occur when individuals with active Medicaid and CHIP enter custody.
 - Individuals entering custody without coverage will need to be enrolled and then have their coverage suspended.
 - The reactivation of benefits would occur during the 30-day pre-release window or upon release. In some circumstances, the SMA must also redetermine an individual's eligibility before release. According to Tsai, D. (2024), unique circumstances arise from the intersection of continuous eligibility requirements and the new youth continuity of care requirements.¹

4. Preparing Staff

- Develop a staffing matrix to support screening, diagnostic, and case management services and reentry efforts.
- Create or amend the current training curriculum for staff responsible for coordinating reentry efforts for sentenced youth in custody.
- Amend current administrative policies and procedures to align with the required youth provisions, including but not limited to screening and diagnostic services and targeted case management.
- Host listening sessions with supervisors and line staff to hear concerns and share the status of facility and/or system preparation efforts. Understand what these changes will mean for all staff.

¹ Examples of circumstances requiring redetermination can be found on pages 25–27.

CMS Notice of Funding Opportunity: State Planning Grants

In 2025, the Centers for Medicare & Medicaid Services (CMS) will competitively award \$106.5 million in planning grants to state Medicaid and Children's Health Insurance Program (CHIP) agencies. The funding is intended to support states in developing operational capabilities to promote continuity of care for Medicaid and CHIP beneficiaries leaving incarceration. In its notice of funding opportunity, CMS states that "funds may be used for addressing operational barriers and improving systems for continuity of care following incarceration in state-operated prisons, local, tribal and county jails, and youth correctional or detention facilities" (Grants.gov, 2024).

CMS encourages state Medicaid and CHIP programs to partner with correctional entities, community-based organizations, and others in developing grant project proposals. Correctional administrators should reach out to their state Medicaid agencies to inquire about applying for these funds. States can use the grants to implement the new youth continuity of care requirements or other specific activities affecting continuity for reentering Medicaid and CHIP beneficiaries, including meeting federal requirements to suspend rather than terminate Medicaid and CHIP eligibility when someone is incarcerated. The funds can be used to identify and address operational gaps in meeting federal requirements, develop systems to operationalize continuity of care, and establish oversight and monitoring processes, among other uses. CMS will consider several factors when making awards, such as the number of correctional facilities in a state and its efforts to establish continuity of care.

CMS will issue cooperative agreements to states in two rounds of awards in two cohorts. The deadline to apply for the first cohort is November 26, 2024. CMS expects to award grants to this cohort by February 15, 2025. The deadline for the second cohort is March 17, 2025, and CMS anticipates awarding grants by July 15, 2025. States may apply for either cohort. Grants will range from \$1 to \$5 million over cooperative agreement periods of 4 years.

These grant funds were authorized by Congress in the Consolidated Appropriations Act of 2024. (See the notice of funding opportunity on this [Grants.gov](https://www.grants.gov) web page.)

5. Assessing Custodial Needs

- Incorporate Medicaid enrollment information into orientation materials for those entering custody, and identify staff to support completing Medicaid applications.
- Understand how the facility tracks and communicates expected release dates, including earned good time, to internal and external stakeholders.
- Assess any security or physical plant challenges that may strain implementation.

6. Updating Administrative Processes

- In coordination with their SMAs, enroll their system facilities, individual facilities, or individual providers as Medicaid and CHIP providers if they plan to use correctional health care staff to deliver screening and diagnostic and/or case management services.
- Identify what infrastructure will be required to facilitate service provision.
- Participate in rate setting discussions with Medicaid.
- Create a process for submitting claims or invoices to Medicaid.
- Develop a staffing matrix and training to facilitate service provision and billing.

7. Evaluating Data/Technology Capacity

- Review facility census or demographic data and population trends, especially for individuals in custody ages 18–21 and under the age of 26.
- Review capacity for using telehealth to support case management and continuity of care.
- Assess the viability of their facility’s electronic health record system, including the ability to interface with community electronic health records.
- Assess systems and needs to support enrollment, processing applications, submitting claims, suspending benefits, and sharing information with community-based providers to enhance care coordination.
- Establish necessary data-sharing agreements to facilitate information exchange across agencies.

Helpful Resources

- National Association of Medicaid Directors: [Who We Are: Medicaid Directors](#) (web page)
- Council of State Governments Justice Center: [Centering Lived Expertise: How to Meaningfully Elevate the Voices of People Directly Impacted by the Criminal Justice and Behavioral Health Systems](#) (publication)
- National Academy for State Health Policy: [FAQ: Engaging People with Lived Experience of Incarceration](#) (web page)
- Medicaid and CHIP Payment and Access Commission: [Medicaid 101](#) (web page)
- Centers for Medicare & Medicaid Services: [What Is CHIP?](#) (publication)
- National Reentry Resource Center: [Medicaid and Corrections](#) (web page)
- 117th Congress: [Consolidated Appropriations Act, 2023](#) (public law)

References

Grants.gov. (2024, September 27). *Notice of funding opportunity (NOFO) 356168*.
<https://www.grants.gov/search-results-detail/356168>

Tsai, D. (2024, July 23). *RE: Provision of Medicaid and CHIP services to incarcerated youth*. U.S. Department of Health and Human Services, Centers for Medicare & Medicaid.
<https://www.medicaid.gov/federal-policy-guidance/downloads/sho24004.pdf>