

# Maximizing Impact: Implementing CMS 1115 Reentry Waivers with Public Consulting Group

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## Executive Summary

The Centers for Medicare & Medicaid Services (CMS) released guidance in 2023 encouraging states to design and test reentry services for individuals transitioning from incarceration. Such services can help improve health outcomes and reduce significant barriers and risks that individuals face when reentering their communities. This white paper will provide an overview of reentry waivers. It will also address:

- **Why reentry waivers are important:** The needs states are trying to address, and the key role waivers can play in supporting community reintegration and reducing health disparities for justice involved populations.
- **Landscape:** The status of reentry waivers across the country, including implementation challenges, and promising practices from states who have implemented pre-release services.
- **How PCG can support states:** PCG provides third party administration services, technical assistance, and implementation support in California, the first state in the nation to implement a reentry waiver to develop and test pre-release services for individuals transitioning from incarceration.

Reentry waivers represent a unique opportunity for states and to individuals involved in the justice system, but there are significant challenges that practitioners may face navigating the new relationships, capacity, and infrastructure required to stand up services. Thoughtful implementation, with intentional approaches to technical assistance and stakeholder engagement, will be key for states and agencies implementing pre-release services for the first time.

## Background

The Centers for Medicare & Medicaid Services (CMS) 1115 waivers allow states to test new approaches in Medicaid that differ from federal program rules. They are designed to promote healthcare coverage and access, particularly for vulnerable populations, including individuals transitioning from incarceration to community living. CMS issued [guidance](#) for designing demonstration projects under section 1115 of the Social Security Act to improve care transitions for individuals who are about to be released from public institutions and are eligible for Medicaid. These demonstrations will test innovative approaches to coverage and quality to improve care transitions, starting pre-release, for individuals who are incarcerated, thereby facilitating improved continuity of care once the individual is released. Improving these care transitions is expected to help individuals access high-quality, evidence-based, coordinated, and integrated care during their reentry out of both youth and adult carceral settings.

This guidance gave approval for states under the demonstration to remove the Medicaid Inmate Exclusion Policy (MIEP). Historically, people who are incarcerated have not been eligible to receive Medicaid benefits while they remain in a public institution. This exclusion rule has led to many jails and prisons supporting medical care costs from their own operational budgets. Allowing carceral facilities the ability to bill Medicaid for the

provision of medical services while individuals are residing in the facility will lift budgetary constraints and provide better access to care. Further, allowing individuals to receive Medicaid benefits provides the opportunity for higher quality post-release care planning.

### The Importance of CMS 1115 Waivers for Reentry

The United States leads the world in its proportion of incarcerated individuals, with a prison population of over [1.2 million](#) individuals in 2022. People of color are overrepresented in carceral settings, facing rates of incarceration that are up to [five times higher](#) than those of white people due to systemic inequalities. Pre-release services are one crucial way for states can address structural racism, as well as the staggering public health disparities faced by incarcerated individuals.

There are strong correlations between incarceration and premature death, as well as higher rates physical, behavioral, and mental health conditions.

- [44%](#) of people who are incarcerated in jails have a history of mental illness
- [33%](#) of sentenced jail inmates meet the criteria for drug dependence
- [80%](#) of people who are returning to the community after incarceration have a chronic medical, psychiatric, or substance use disorder

People returning to communities after incarceration face significant barriers, particularly regarding health outcomes, mental and behavioral health, and substance use disorders (SUD). The time immediately after being released from incarceration is particularly high-risk; studies have found that individuals being released from incarceration can be up to 129 times more likely to die from an overdose than the general public. Individuals returning to the community also face barriers and stigma that make successful reintegration difficult, and that make risk for re-engagement with the justice system high.

The services commonly offered under 1115 reentry waivers are designed to address the barriers and risks faced by individuals leaving incarceration. Under the waivers, individuals who are incarcerated can receive a selection of pre-release services for a specific amount of time prior to their release. Common pre-release services include:

- ✔ Housing services (e.g., tenancy supports)
- ✔ Case management & peer support services
- ✔ Medication-Assisted Treatment (MAT) and counseling
- ✔ Community Health Worker (CHW) services
- ✔ Physical and behavioral health services
- ✔ Preventative and screening services
- ✔ Durable Medical Equipment (DME) provision
- ✔ Sexual and reproductive health services
- ✔ Hepatitis C treatment

There are multiple benefits of reentry waivers.

### Improving Health Outcomes

- Access to Care: By facilitating Medicaid eligibility for individuals reentering society, these waivers enhance access to essential healthcare services, including mental health and substance use disorder treatment, which are critical for reducing recidivism.
- Continuity of Care: Waivers support programs that ensure a seamless transition of care from incarceration to community health services, reducing gaps that often lead to poor health outcomes.

### Reducing Recidivism

- Integrated Services: Implementing comprehensive health and social services can address the root causes of involvement with the justice system. For instance, providing access to treatment for addiction or mental health issues has been shown to lower the likelihood of reoffending.
- Community Reintegration: Programs funded through these waivers can assist individuals in finding stable housing, employment, and social support, which are crucial for successful reintegration.

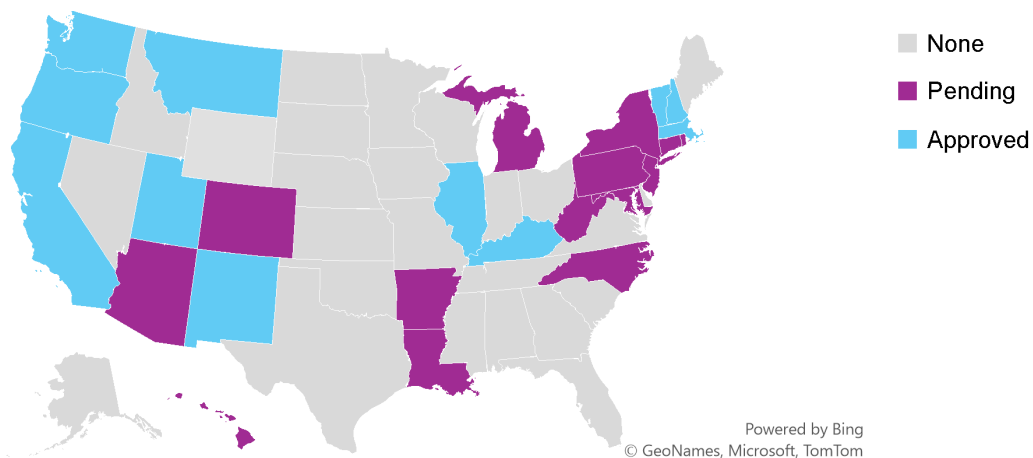
### Enhancing Community Support

- Engagement with Local Organizations: Waivers encourage collaboration with community-based organizations, fostering a holistic approach to reentry that includes education, job training, and social services.
- Strengthening Local Economies: By reducing recidivism and supporting employment initiatives, these waivers can contribute to economic stability within communities, benefiting both individuals and society as a whole.

## Landscape

1115 reentry waivers provide states the opportunity to address identified needs within their state and tailor their service offerings to identified gaps. While states may have different offerings and goals, there is an opportunity for cross-state learning communities to discuss successes and pitfalls.

### States 1115 Waiver Status



## Challenges in Implementation

Our experience in supporting the first state in the nation to implement a reentry waiver program – and one of the largest and most complex - has equipped us to identify and navigate roadblocks effectively. PCG has identified three key areas in which States need support for a successful implementation of these services:

### People:

- States, carceral facilities, and justice system partners need new skills and knowledge. With reentry waivers, for the first time in the United States, jail and prison health care is seen as part of the larger health care ecosystem.
- There are challenges with change management in carceral facilities and justice system partners, including willingness and readiness to change.
- There are needs for new relationships that have not existed between entities such as Health-Related Social Needs (HRSN) providers, managed care plans (MCPs), and carceral facilities.
- There is often limited staffing capacity in both JI agencies and at the state to manage the program complexities required.
- Unlike their counterparts in public health care or community supports, carceral facility staff have not been recruited for pre-release mental health and health care service provision. There is a skill gap that needs to be filled during implementation.

### Process:

- Many jail health providers do not have infrastructure or business processes to bill Medicaid and facilitate wrap around service delivery. The people tasked with administering these changes must navigate translating complex Medicaid process requirements into their organizations' operations.
- The policy framework is often being built as the services are being implemented and there are many questions and gaps, and a need for space for agencies to process, ask questions, and give feedback.
- Often the reentry policy took many years to develop, but the implementation is on a short and direct timeframe. The rapid changes necessary to meet reentry waiver requirements can be a challenge for some agencies starting at different stages of prior service provision.

### Technology:

- In order to communicate across multiple agencies to support integrated health care services for justice-involved individuals, the technology assets require the ability to manage health care information. Carceral facilities historically do not have the technology or expertise needed for pre-release service implementation.
- Complex IT systems that require identification, implementation, and training are necessary for the carceral facilities to participate in the screening process.
- There is a need for bi-directional data exchange, data sharing, and billing and referral systems between carceral facilities, justice system partners, MCPs, and Medicaid agencies.

## How can PCG Support States?

Public Consulting Group (PCG), one of the largest firms in the nation devoted to delivering innovative, cost-effective solutions and to government agencies, is supporting state and local leaders implementing new reentry services for individuals transitioning from incarceration. PCG understands the issues that face health and human services agencies and justice system agencies, as well as the issues faced by the individuals with lived experience navigating the justice system.

PCG is uniquely positioned to assist agencies in designing and implementing 1115 waivers for justice-involved individuals, as we are currently providing third party administration services for an 1115 demonstration waiver for California’s Department of Health Care Services. Through this 1115 demonstration waiver, California has received first in the nation approval to authorize select Medicaid services for eligible justice-involved individuals in the 90-day period prior to release from incarceration in prisons, county jails and youth correctional facilities.

PCG’s team is experienced across nearly every aspect of the 1115 reentry waiver continuum, from project and program management to stakeholder engagement to conducting research and analysis to help states develop programs and services that prioritize the health and well-being of people who are incarcerated. Our team also brings experience in developing waiver language and services, working with CMS for waiver approval, and facilitating and managing public comment for waiver initiatives.

### The PCG Advantage



Person-Centered Organization with long-term commitment to achieving greater self-determination and community integration.



Project team members with experience in working with justice-involved individuals.



Successful track record of working with states piloting new demonstration services, with an emphasis on continuous quality improvement.



Highly qualified team with past state government roles and expertise in justice involved policy, foster care, substance use disorder, aging, disability, and 1115 reentry waiver programs.

### Implementation and Technical Assistance

Understanding the nuanced landscape of 1115 reentry waivers, PCG works hand-in-hand with states and local stakeholders to ensure consensus, feedback, and proactive engagement. An important part of the implementation process is providing technical assistance (TA) to stakeholders as they work through the implementation process. PCG staff have experience providing this support to carceral facilities, managed care plans, non-governmental organizations, community support agencies, and HRSN organizations. Technical assistance includes webinars, office hours, 1:1 TA meetings, implementation map development, and facilitating peer-to-peer learning opportunities. PCG understands that the implementation of reentry waivers requires nuanced understanding of local needs, stakeholders, and varying capacity of agencies across a given state. PCG leverages our wide range of experience and knowledge to meet stakeholders where they are with the end goal to ensure individuals in need get the comprehensive care they need.

To this effect, PCG has managed the CA Providing Access and Transforming Health (PATH) Justice Involved (JI) Capacity Build Program and the Capacity and Infrastructure Transition, Expansion, and Development (CITED) grant program to advance the goals of CA’s 1115 reentry waiver. As the third-party administrator to the CA PATH program, PCG has facilitated California to award over \$400M to probation departments, sheriff departments, behavioral health agencies, social service departments to build local capacity to implement the reentry waiver. This first of its kind and unique role has strengthened PCG’s JI technical expertise and knowledge of the unique challenges states face when implementing an 1115 reentry waiver.

## Project and Program Management

PCG leverages our technical and policy expertise to enhance project and program management of 1115 waivers. Understanding the challenges to implementing large scale policy changes of 1115 waivers, PCG takes a unique approach to project and program management. PCG considers the importance of planning and proactive stakeholder engagement to ensure sustainability and drive innovation. As a project and program manager for 1115 waiver implementation, PCG can support your state by providing:

- ✔ Program Management Office (PMO) services
- ✔ Project planning execution
- ✔ CMS reporting
- ✔ Financial management and reporting
- ✔ Project close

## Grants Management

PCG has years of experience managing grant programs, including those related to 1115 Reentry Waivers. We bring experience with both pre-award and post-award grant management activities and creating the tools necessary for a grant program to operate successfully, including:

- General project oversight (managing development, facilitating implementation, and monitoring of the grant programs)
- Grant program marketing (including conducting information sessions and developing FAQ / guidance documents)
- Website design, launch, and ongoing maintenance of stand-alone platform or content development / maintenance of program materials on existing state platform(s)
- Communication plan with the state and stakeholders
- Grant application creation (with noted program requirements and scoring rubric)
- Application scoring using a rubric to score the grant applications objectively and fairly and serve as the basis for providing award recommendations
- Technical assistance to applicants throughout the application process
- Data collection, reporting and program evaluation framework support

Since 2022, PCG has helped states implement awards of over \$200 million in ARPA HCBS and Medicaid Transformation grants. This experience gives us insight and understanding of federal and state oversight requirements and has established proven processes for effectively managing various grant program requirements..

PCG has also leveraged its grants management expertise in our work with California's Department of Health Care Services, supporting implementation of their Pre-Release Services 1115 demonstration waiver. PCG is providing third party administration, fiscal agent service, and project management for four different capacity building and planning initiatives in California, including the distribution and payment of technical assistance vendors, collaborators, and administering over \$1.85 billion in grant funds across the four initiatives, including JI Capacity Building.

## Capacity Building

PCG plays a key role in helping local agencies sustain CMS 1115 Reentry Waiver programs after initial implementation. Here's how PCG supports capacity building for lasting success:

### 1. Training and Workforce Development

PCG provides tailored training to enhance local staff skills in Medicaid billing, healthcare integration, and case management. This ensures agencies can continue delivering services effectively.

### 2. Systems and Process Development

PCG helps agencies create standardized operational protocols, documenting best practices and procedures to ensure consistency and smooth service delivery over time.

### 3. Data-Driven Decision Making

PCG strengthens agencies' abilities to collect and analyze performance data, enabling ongoing program evaluation and continuous improvement based on real-time metrics.

### 4. Fostering Collaboration

PCG builds strong partnerships between local stakeholders-healthcare providers, justice system partners, carceral facilities, and community organizations-ensuring coordinated support for program sustainability.

### 5. Financial Management and Sustainability

PCG assists in securing additional funding sources and providing financial management guidance to ensure long-term financial sustainability of reentry programs.

### 6. Ongoing Technical Assistance

PCG offers continued support through webinars, one-on-one sessions, and peer-to-peer learning, helping agencies navigate challenges and adapt as programs evolve.

### 7. Leadership Development

PCG works to develop local leadership by providing resources and training to empower staff to oversee and manage the programs effectively.

### 8. Technology Support

PCG helps build or upgrade IT systems to track data and ensure seamless communication across agencies, offering long-term tech support for continued program success.

By providing these services, PCG ensures that local agencies have the resources, skills, and infrastructure to sustain CMS 1115 Reentry Waiver programs, leading to lasting improvements in healthcare access and outcomes for justice-involved individuals.

## Conclusion

The implementation of CMS 1115 Reentry Waivers represents a transformative opportunity for states to improve the health and well-being of justice-involved individuals during the critical period of reentry into society. By removing the historical Medicaid Inmate Exclusion Policy and providing Medicaid coverage during the pre-release period, states can address significant gaps in healthcare access, reduce recidivism, and enhance community reintegration. The innovative models emerging from these waivers will not only improve continuity of care but will also provide a foundation for addressing systemic inequalities, particularly for individuals from communities disproportionately affected by incarceration.

PCG has played a pivotal role in supporting states, such as California, in the design and implementation of these waivers. With deep expertise in public health, justice systems, and Medicaid administration, PCG's approach combines technical assistance, stakeholder engagement, and robust project management to ensure that states meet both the challenges and opportunities inherent in these complex programs. Through proactive planning, capacity building, and data-driven

strategies, PCG helps states navigate the intricate policy landscape, ensuring the sustainability of programs that improve the lives of individuals in the justice system.

As states continue to implement and refine their 1115 reentry waiver programs, the success of these initiatives will depend on the continued collaboration across agencies and stakeholders, including healthcare providers, community organizations, and justice system partners. The potential for these waivers to not only improve individual health outcomes but also contribute to broader social and economic benefits for communities is immense. By supporting the transition from incarceration to community life with comprehensive care and services, states are taking critical steps toward creating a more equitable and just healthcare system for all.

## About PCG

Public Consulting Group (PCG) is a leading public sector solutions implementation and operations improvement firm that partners with health, education, and human services agencies to improve lives. Founded in 1986, PCG employs approximately 2,000 professionals throughout the U.S.-all committed to delivering solutions that change lives for the better. The firm is a member of a family of companies with experience in all 50 states, in Canada, and in Europe. PCG offers clients a multidisciplinary approach to meet challenges, pursue opportunities, and serve constituents across the public sector. To learn more, visit [www.publicconsultinggroup.com](http://www.publicconsultinggroup.com).

## About the Authors

**Julia Kessler** is a Senior Consultant with 11 years experience as a grants administration program manager. Julia is a Criminologist and has developed policy and programming to enhance the lives of Justice Involved populations at the Federal, State, and local levels. Julia joined PCG in October 2022 and is currently the Program Manager for California Providing Access and Transforming Health's (PATH) Justice Involved Capacity Building Program where she leverages her policy subject matter expertise and program management experience to help California award over \$400M in funding to eligible agencies throughout the state.

**Katie Thomas** is a senior consultant located in Raleigh, North Carolina. Ms. Thomas has eight years of professional experience working within the mental health and criminal justice systems in multiple states. Driven by her passion for assisting individuals in navigating the criminal justice and mental health systems, her prior experience includes providing oversight and quality management. As a senior consultant her work is centered on providing access to quality mental health and substance use services to justice-involved people.

**Shannon Weaver** is a Senior Consultant based in Chicago, Illinois. Ms. Weaver has 6 years of experience supporting nonprofit, state, local, and federal clients with project management, grants management, strategy, and operational needs related to a variety of health and human services programs. Ms. Weaver's work is centered on supporting agencies and programs to engage stakeholders, develop implementation tools and processes, monitor and oversee financial performance, and establish continuous quality improvement initiatives as they refine and expand their programs.

**To learn more about transforming your state's approach to your 1115 reentry waiver, contact us today.**



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