

Public Notice
For Proposed Medicaid Section 1115 Demonstration Project

Opportunities to Test Transition-Related Strategies to Support Community Reentry from Incarceration and Institutions for Mental Disease

The Arkansas Department of Human Services (DHS), Division of Medical Services (DMS) is providing public notice of its intent to submit to the Centers for Medicare & Medicaid Services (CMS) a written request to submit a 1115 Demonstration Project and to hold public hearings to receive comments on the demonstration.

In accordance with 42 §CFR 431.408, this notice provides a summary of the waiver request and serves to formally open the 30-day public comment period, which will begin on **December 31, 2023** and conclude on **January 29, 2024**

DHS proposes to seek a new Section 1115 demonstration waiver, which combines two federal waiver opportunities related to the inmate and IMD exclusions. This waiver application, “Opportunities to Test Transition-Related Strategies to Support Community Reentry from Incarceration and Institutions for Mental Disease,” combines the CMS guidance on the SUPPORT Act and Cures Act into a single Demonstration Project (“Reentry Waiver”). The purpose of the Reentry Waiver is to provide Medicaid funding for treatment for individuals who are inmates on a temporary basis in a public institution and to bridge the gap in coverage for adults receiving treatment in an IMD. Arkansas views both waivers as an opportunity to greatly impact care for individuals in facilities, whether that facility is a correctional facility or an IMD.

Specifically, DHS seeks public comment on the Reentry Waiver, which proposes to:

1. *Improve Reentry Services for Justice Involved Populations*. Arkansas is seeking to cover all Medicaid services for all justice involved populations for up to 90 days beginning on the first day of incarceration and for another period of up to 90 days prior to release. The aim of this component is to support smoother care transitions into and from carceral settings to increase the likelihood that individuals who are transitioning out of incarceration can maintain coverage and receive the care they need.
2. *Address IMD (Institute for Mental Disease) Exclusion to Increase Access to Behavioral Health Services*. Arkansas is seeking to waive the IMD exclusion in order to cover Medicaid services provided to individuals receiving treatment within qualifying IMD institutions. Similar to the reentry services for justice involved populations, these services would be provided for up to 90 days beginning on the first day of admission to an IMD facility, and also for an addition period of up to 90 days prior to the individuals discharge back to community-based treatment for those that were in an IMD facility for greater than 90 days. This component will increase equitable access to services for Arkansas’ Medicaid population within IMD settings and support improved care transitions and overall health outcomes.

Program Description & Detailed Summary of Proposed Changes

Through this waiver, Arkansas aims to:

- 1) Strengthen the care continuum for individuals residing on a temporary basis in an IMD or carceral setting (jail, prison, or youth correctional facility) to support better health outcomes among this vulnerable populations; and
- 2) Support smoother care transitions from IMD and carceral settings to increase the likelihood that these individuals will maintain coverage and receive the health care they need upon reentry to a community setting.

Arkansas would like to address existing health disparities and inequitable access to services that exist for individuals who are either incarcerated or are receiving care within an IMD setting, due to the current federal inmate and IMD Medicaid exclusions. This Reentry Waiver will improve the health outcomes of thousands of children and adults in Arkansas in need of treatment for SED, SMI, or SUD by streamlining the various federal exclusions to fill gaps in treatment and reduce disparities in health outcomes. By testing consistent transition strategies for both carceral and IMD settings, regardless of factors such as the enrollee's delivery system or specific diagnoses that have previously impacted IMD authorizations and Medicaid coverage status, Arkansas seeks to create greater equity for individuals in need of Medicaid services.

By permitting the use of federal funds for temporary coverage of Medicaid services while an individual resides in either an IMD or carceral setting, Arkansas will be able to provide post-release transition planning, supports, and services appropriate to each individual's needs. Such coverage during the crucial temporary transition periods will increase the likelihood of successful transitions back into our communities, reducing recidivism and improving health outcomes.

In sum, Arkansas requests authority for the following:

1. To cover all Medicaid services for incarcerated adults and juveniles for up to 90 days beginning on the first day of incarceration and for another period of up to 90 days prior to release; and
2. To waive the IMD exclusion in order to cover Medicaid services provided to individuals receiving treatment in qualifying IMD institutions for up to 90 days beginning on the first day of admission and for another period of up to 90 days prior to discharge back to community-based treatment.

This Waiver holds great promise for Arkansans to accomplish the following goals:

- Alleviate impacts of the severe shortage of mental health providers by allowing equitable access to services through payment for services at IMD facilities;
- Reduce recidivism back into the justice system;
- Promote efficiency and effectiveness of the Medicaid program through care coordination and new models of care delivery that include HCBS services that are bundled with care coordination; and
- Improve health outcomes for individuals with SUD and SMI/SED by addressing individuals' Health-Related Social Needs (HRSN).

Eligibility, Cost Sharing, Delivery Systems, and Benefits

Eligibility. While the Reentry Waiver does not change underlining Medicaid eligibility, it will waive the inmate and IMD exclusions that currently prohibit Medicaid services from being provided to otherwise Medicaid eligible individuals temporarily residing in an excluded facility. Specifically, the Waiver would impact eligibility as follows:

- Individuals regardless of age and eligibility category who are enrolled in the Arkansas Medicaid program who are incarcerated will retain eligibility and enrollment during the specific 90-day transition time frames noted above.
- Individuals regardless of age and eligibility category who are enrolled in the Arkansas Medicaid program and receiving medically necessary services within an IMD will retain eligibility for all covered Medicaid services, including services provided by the IMD, during the specific 90-day transition time frames noted above.

Benefits. In general, the Reentry Waiver seeks to increase access to existing Medicaid covered benefits by extending them to individuals temporarily residing in a jail, prison, youth correctional facility, or IMD. All state plan services will be available to the Demonstration populations. In conformance with the requirements of the Reentry Section 1115 Demonstration Opportunity, Arkansas will add case management services as not all individuals currently receive case management as a state plan benefit.

Cost Sharing. The Reentry Waiver will not impact cost sharing. The current benefit packages will remain the same.

Delivery Systems: Through the Reentry Waiver, individuals transitioning from jail, prison, or youth correctional facilities will be enrolled in the PASSE program rather than fee-for-service Medicaid or the Qualified Health Plans. The PASSE program currently provides comprehensive coverage, including specialty services for individuals with complex behavioral health needs, to more than 50,000 Medicaid enrollees. There is sufficient capacity among the four PASSE organizations to absorb additional members resulting from this waiver.

More broadly, approval of this waiver will strengthen the overall delivery system and improve the financial status of Arkansas mental health providers resulting in an increase in provider capacity. Specifically, DHS expects the following delivery system improvements:

- Access to treatment for SED, SMI and SUD will be expanded by permitting treatment through an IMD, including at the Arkansas State Hospital (ASH).
- There are 11 private IMDs enrolled in Arkansas Medicaid. DHS intends to expand access to acute crisis units by requiring the IMDs to open an ACU (Acute Crisis Unit) as a condition of participation in this waiver initiative. ACUs are opportunities to work more closely with law enforcement agencies and serve as diversions from jails and ASH.
- Through the increased use of telemedicine, Arkansas intends to expand services to individuals in crisis through creating additional crisis mobilization units across the state.
- Additionally, this work will support the improvement of health services and care coordination for individuals within the justice system, including improvement in jail health services and those services that support and coordinate with jail health.

Enrollment and Expenditures

See attachment 1 for budget neutrality estimates.

Hypotheses and Evaluation Parameters

Arkansas proposes the following evaluation plan, which has been developed in alignment with CMS evaluation design guidance for Reentry and SMI 1115 demonstrations. The state intends to contract with an independent evaluator to conduct this review. Below find the proposed hypotheses for the two components of the proposed components of the 1115 waiver:

Goals, Objectives and Hypotheses Transition-Related Strategies to Support Community Reentry		
Goal/Objective	Hypothesis	Evaluation Parameters/Methodology
GOAL 1. Increase coverage, continuity of coverage, and appropriate service uptake	Hypothesis 1. The demonstration will result in increases in Medicaid enrollment and service utilization among individuals who re-enter the community after a period of incarceration	Data Sources: <ul style="list-style-type: none"> • Claims data • Medical records or administrative records • Interviews or focus groups Analytic Approach: <ul style="list-style-type: none"> • Difference-in-differences model • Subgroup analyses • Descriptive quantitative analysis • Qualitative analysis
GOAL 2. Improve access to services prior to release and improve transitions and continuity of care	Hypothesis 2. The demonstration will result in reductions in preventable readmissions to acute care hospitals and residential settings.	Data Sources: <ul style="list-style-type: none"> • Claims data • Medical records • Beneficiary survey Analytic Approach: <ul style="list-style-type: none"> • Difference-in-difference models • Qualitative analysis • Descriptive quantitative analysis
GOAL 3. Improve coordination and communication between correctional systems, Medicaid systems, managed care plans, and community-based providers	Hypothesis #3. The demonstration will result in improved availability of crisis stabilization services throughout the state and thereby reduce delays in receiving necessary treatment in the community and reduce, recidivism rates.	Data Sources: <ul style="list-style-type: none"> • Annual assessments of availability of mental health services • Administrative data • Provider survey Analytic Approach: <ul style="list-style-type: none"> • Descriptive quantitative analysis

Goals, Objectives and Hypotheses Transition-Related Strategies to Support Community Reentry		
Goal/Objective	Hypothesis	Evaluation Parameters/Methodology
GOAL 4. Increase additional investments in health care and related services	Hypothesis 4. The demonstration will result in increases in Medicaid providers of mental health and SUD services and expansion of service delivery models: ACUs, Life360 HOMEs, PACTs, and FITTs thereby reducing the use of Emergency Departments, reduce inpatient hospitalizations, and reduce length-of-stays (LOS)	Data Sources: <ul style="list-style-type: none"> • Claims data • Medical records or administrative records • Interviews or focus groups Analytic Approach: <ul style="list-style-type: none"> • Difference-in-differences model • Subgroup analyses • Descriptive quantitative analysis • Qualitative analysis
GOAL 5. Improve connections between carceral settings and community services upon release to address physical health, behavioral health, and health-related social needs (HRSN)	Hypothesis 5. The demonstration will result in increases in Medicaid enrollment among individuals who re-enter the community after a period of incarceration and divert individuals from the judicial system.	Data Sources: <ul style="list-style-type: none"> • Claims data • Medical records or administrative records • Interviews or focus groups Analytic Approach: <ul style="list-style-type: none"> • Difference-in-differences model • Subgroup analyses • Descriptive quantitative analysis • Qualitative analysis
GOAL 6. Reduce all-cause death	Hypothesis 6. The demonstration will result in increases in Medicaid enrollment among individuals who re-enter the community after a period of incarceration who have access to treatment services and reduce the rate of	Data Sources: <ul style="list-style-type: none"> • Claims data • Medical records or administrative records • Interviews or focus groups Analytic Approach: <ul style="list-style-type: none"> • Difference-in-differences model • Subgroup analyses

Goals, Objectives and Hypotheses Transition-Related Strategies to Support Community Reentry		
Goal/Objective	Hypothesis	Evaluation Parameters/Methodology
	overdoses, suicides, and all causes of deaths among those released from incarceration at 12-month, 24-month, and 36-month intervals	<ul style="list-style-type: none"> Descriptive quantitative analysis Qualitative analysis
GOAL 7. Reduce number of ED visits and inpatient hospitalizations	Hypothesis 7. The demonstration will result in fewer ED visits, fewer inpatient hospitalizations, and shorter-lengths of stay	<p>Data Sources:</p> <ul style="list-style-type: none"> Claims data Medical records or administrative records <p>Analytic Approach:</p> <ul style="list-style-type: none"> Difference-in-differences model Subgroup analyses Descriptive quantitative analysis Qualitative analysis
Goals, Objectives, and Hypotheses for IMD Provisions		
GOAL 1. Reduced utilization and lengths of stay in emergency departments among Medicaid beneficiaries while awaiting mental health/SUD treatment in specialized settings.	Hypothesis 1. The demonstration will result in reductions in utilization of stays in emergency department among Medicaid beneficiaries with while awaiting mental health/SUD treatment.	<p>Data Sources:</p> <ul style="list-style-type: none"> Claims data Medical records or administrative records Interviews or focus groups <p>Analytic Approach:</p> <ul style="list-style-type: none"> Difference-in-differences model Subgroup analyses Descriptive quantitative analysis Qualitative analysis
GOAL 2. Reduced preventable readmissions to acute care hospitals and residential settings.	Hypothesis 2. The demonstration will result in reductions in preventable readmissions to acute care hospitals and residential settings.	<p>Data Sources:</p> <ul style="list-style-type: none"> Claims data Medical records Beneficiary survey <p>Analytic Approach:</p> <ul style="list-style-type: none"> Difference-in-difference models Qualitative analysis

Goals, Objectives and Hypotheses Transition-Related Strategies to Support Community Reentry		
Goal/Objective	Hypothesis	Evaluation Parameters/Methodology
		<ul style="list-style-type: none"> Descriptive quantitative analysis
GOAL 3. Improved availability of crisis stabilization services, including services made available through care coordination and mobile crisis units; intensive outpatient services, as well as services provided during acute short-term stays in residential crisis stabilization programs; psychiatric hospitals; and residential treatment settings throughout the state.	Hypothesis 3. The demonstration will result in increased availability of crisis stabilization services throughout the state that reduces inpatient hospitalization at ASH	Data Sources: <ul style="list-style-type: none"> Annual assessments of availability of mental health services Administrative data Provider survey Analytic Approach: <ul style="list-style-type: none"> Descriptive quantitative analysis
GOAL 4. Improved access to community-based services to address the chronic mental health care needs of beneficiaries with SMI, including through increased integration of primary and behavioral health care	Hypothesis 4. Access of beneficiaries with SMI/SED to community-based services to address their chronic mental health care needs will improve under the demonstration, including through increased integration of primary and behavioral health care.	Data Sources: <ul style="list-style-type: none"> Claims data Annual assessments of availability of mental health services Administrative data Medical records Analytic Approach: <ul style="list-style-type: none"> Descriptive quantitative analysis Difference-in-differences model
GOAL 5. Improved care coordination, especially continuity of care in the community following episodes of acute care in	Hypothesis 5. The demonstration will result in a reduction in out-home-home placements and a reduction in LOS in	Data Sources: <ul style="list-style-type: none"> Claims data Medical records Interviews or focus groups Facility records

Goals, Objectives and Hypotheses Transition-Related Strategies to Support Community Reentry		
Goal/Objective	Hypothesis	Evaluation Parameters/Methodology
hospitals and residential treatment facilities.	institutional and residential settings	Analytic Approach: <ul style="list-style-type: none"> • Difference-in-differences model • Descriptive quantitative analysis • Qualitative analysis

The Evaluation will also specifically address the efficacy of defining “temporary period” as up to 90-days. As a rural state and a state that faces a significant workforce shortage, a lesser time period is likely not realistic to affect a successful transition to the community with immediate access to care. In addition, since many individuals have shorter stays in excluded settings with unknown release dates, providing Medicaid services during the enrollee’s transition to the facility will support improved outcomes and more equitable provision of pre-release services. Thus, this Reentry Waiver will provide opportunities for comparing the length of time among states with reentry waivers, including recidivism rates among the states based on both length of time of the intervention as well as the timing of the intervention.

Waiver and Expenditure Authorities

DHS requests all necessary additional waiver authority to implement the waiver request, including at minimum, the following:

Amount Duration, and Scope of Services and Comparability	Section 1902(a)(10)(B) and 1902(a)(17)
To the extent necessary to enable DHS to offer focused care coordination services and LIFE360 HOME services to the populations as described in this Application which may vary and not otherwise be available to all beneficiaries in the same eligibility group.	
Statewideness	Section 1902 (a)(1)
To the extent necessary to enable DHS to provide care coordination services, and LIFE360 HOME services on a less than statewide basis. To enable the state to provide pre-release services to qualifying beneficiaries on a geographically limited basis.	
Freedom of Choice	Section 1902(a)(23)(A)
To the extent necessary to enable DHS to restrict individuals’ choice of providers to the network of providers under the PASSE program, and LIFE360 HOME services on a less than statewide basis.	

DHS requests all necessary additional waiver expenditure authority to implement the waiver request, including the following:

Expenditures for Treatment During a Period of Incarceration	Section 1905(a)
The state requests expenditure authority under Section 1115 to the extent necessary to enable DHS to pay for Medicaid covered services during an initial 90-day period upon a Medicaid enrolled individual entering a state prison, county or city jail, or youth correctional facility, and for an additional 90-day period immediately prior to the expected date of release from a participating state prison, county or city jail, or youth correctional facility.	
Expenditures for Treatment in an Institution for Mental Disease	Section 1905(a)
<p>The state requests expenditure authority under Section 1115 to the extent necessary to enable DHS to reimburse for Medicaid covered services for up to 90 days from the date of admission in an IMD furnished to otherwise eligible individuals who are primarily receiving treatment for SMI, SED, and/or SUD (including withdrawal management services) at a facility that meets the definition of an institution for mental disease (IMD).</p> <p>In addition, the State requests expenditure authority under Section 1115 to the extent necessary to enable DHS to reimburse for Medicaid covered services for an additional 90-day period prior to the discharge of a Medicaid enrolled individual from a facility that meets the definition of an IMD, including an IMD that is a public institution.</p>	
Expenditures for Building Capacity of Pre-Release Supports Through an Approved Reinvestment Plan	Section 1905(a)
The state requests expenditure authority under Section 1115 for costs not otherwise matchable related to a variety of activities necessary to support successful transitions from a carceral facility into the community. The activities will include pre-release readiness assessments, improving the eligibility process, education and training, linking Electronic Health Records, and other activities to be submitted in the Implementation Plan and Reinvestment Plan.	
Expenditures to Incentivize Community Mental Health Providers to Adopt Electronic Health Records and Participate in SHARE	Section 1905(a)
The state requests expenditure authority under Section 1115 for costs not otherwise matchable related to grants to small, independent community mental health providers as incentive payments to adopt interoperable electronic health records and to participate in the State Health Alliance for Records Exchange (SHARE).	

Public Notice and Comment Process

The proposed 1115 waiver and full public notice are available for public review on the DHS website at ar.gov/dhs-proposed-rules.

In addition, the draft documents are also available for hard copy review at the Department of Human Services (DHS) Office of Rules Promulgation, 2nd floor Donaghey Plaza South Building, 7th and Main Streets, P.O. Box 1437, Slot S295, Little Rock, Arkansas 72203-1437.

During the 30-day public comment period which runs from **December 31, 2023 to January 29, 2024**, the public is invited to provide written comments to DHS via US postal service or electronic mail as well as make comments verbally during the two public hearings.

DHS will hold two public hearings on the following dates, times, and locations:

Public Hearing #1	Public Hearing #2
Public Hearing #1: Department of Human Services Virtual Public Forum January 10, 2024, 10:30 a.m. CST, Location: Department of Human Services (DHS) via Zoom, Little Rock, Arkansas. Zoom Link: https://us02web.zoom.us/j/88981640420 Zoom Dial-In: +1 346 248 7799 US (Houston) Meeting ID: 889 8164 0420	Public Hearing #2: Medicaid Client Voice Council (In-Person and Virtual) January 23, 2023, 11:00 a.m. to 2:00 p.m. CST Locations: In-Person at AFMC Campus, 1020 W. 4 th St., Little Rock, AR 72201 Virtual participation information will be announced at https://ar.gov/clientvoice and at ar.gov/dhs-proposed-rules once the information becomes available

Interested persons should submit all comments to DHS on the proposed waiver on or before **January 29, 2024**.

Comments can be submitted via email to ORP@dhs.arkansas.gov or by mail to Department of Human Services (DHS) Office of Rules Promulgation, 2nd Floor Donaghey Plaza South Building, 7th and Main Streets, P. O. Box 1437, Slot S295, Little Rock, Arkansas 72203-1437.

Please note that public comments submitted in response to this notice are considered public documents. A public comment, including the commenter's name and any personal information contained within the public comment, will be made publicly available.

The Arkansas Department of Human Services is in compliance with Titles VI and VII of the Civil Rights Act and is operated and managed and delivers services without regard to religion, disability, political affiliation, veteran status, age, race, color or national origin.

If you need a copy of the draft waiver or public notice documents in a different format, such as large print or in hard copy, contact the Office of Rules Promulgation at 501-320-6428.