



Bureau of Justice Assistance (BJA)

Comprehensive Opioid, Stimulant, and Substance Use Program (COSSUP)

# Medicaid Section 1115 Waivers and Other Mechanisms to Support Service Expansion for Individuals With Substance Use Disorder and/or Justice System Involvement

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## Introduction

In the United States, drug overdose is a leading cause of injury-related death.<sup>1</sup> From 2019 through 2021, the annual number of overdose deaths in the country increased from approximately 71,000 to more than 100,000.<sup>2</sup> Substance use disorders (SUDs) are particularly common among people involved in the justice system; estimates indicate that at least one in three people in the corrections system has SUD.<sup>3, 4, 5</sup> Moreover, individuals returning to the community from carceral facilities are at a high risk of overdose, especially in the first 2 weeks after release.<sup>6, 7</sup>

This report highlights unique efforts in 11 states to expand access to health care services and other supports for Medicaid beneficiaries with SUD and/or involvement with the justice system.

## Overview of Medicaid

Introduced in 1965 as an amendment to the Social Security Act, Medicaid is a joint federal and state

government program providing health care benefits to low-income and other individuals. Financing for the program comes from both levels of government. The federal government establishes requirements for the program, but states have flexibility in how they administer the program (defined in state plans, which are agreements between the federal government and each state). Consequently, Medicaid programs vary across states.<sup>8</sup> Key groups who are eligible for Medicaid are low-income mothers; pregnant women; children; elderly individuals; and people with disabilities. Following the Affordable Care Act of 2010, states have the option of expanding Medicaid eligibility to childless, low-income adults without disabilities (up to 133 percent of the federal poverty level); most states, but not all, have opted to expand coverage.<sup>9</sup> As of November 2022, more than 85 million individuals across the United States were enrolled in Medicaid. The expansion increased the number of people enrolled in Medicaid and increased coverage for justice-involved individuals with SUD.<sup>10</sup>

Although Medicaid is a significant payer of SUD treatment in the United States,<sup>11</sup> certain SUD services have been an optional benefit and, in the past, most states did not cover a full range of SUD services.<sup>12</sup> However, in recent years, the federal government and many states have taken steps to expand access to SUD services for Medicaid beneficiaries.<sup>13</sup> States have used several means to expand coverage of SUD services. Two key mechanisms are: (1) the Medicaid state plan authority, including state plan amendments (SPAs), and (2) waivers, which give states an opportunity to pursue changes to program eligibility and service packages targeted to beneficiaries with specific needs. Under Section 1115 of the Social Security Act, for example, states can waive certain provisions of Medicaid law to carry out pilot or demonstration projects, if approved by the Centers for Medicare & Medicaid Services (CMS). Generally, these demonstrations last 5 years (with the opportunity to be extended) and must be budget-neutral for the federal government.

Through the Medicaid Section 1115 waiver mechanism, the federal government has partnered with states to improve access to the full continuum of care for SUD. In 2015 and 2017, CMS announced an opportunity for Section 1115 demonstrations focused specifically on treatment of SUD, including opioid use disorder (OUD). Participating states must implement strategies to expand access to SUD treatment services, improve provider standards and capacity, and prevent and treat OUD. Participating states also have the opportunity to receive federal Medicaid dollars for SUD treatment services—including residential services provided in institutions for mental diseases (IMDs), which normally are not eligible for federal reimbursement. As of October 2022, 33 states and the District of Columbia had an approved SUD demonstration in place.<sup>14</sup>

States also are using Section 1115 waivers and other strategies to address social determinants of health and expand social supports, enhanced case management, and other care for high-risk individuals, including individuals with former justice system involvement.<sup>15</sup>

In 2018, the Substance Use Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act) created provisions related to improving Medicaid's coverage and services for SUD treatment, such as a state plan option for federal coverage of residential services in IMDs<sup>16</sup> and required limited-time coverage of medication for OUD.<sup>17</sup> In addition to the SUD care provisions, the SUPPORT Act stipulated requirements related to Medicaid coverage for certain individuals who are incarcerated. With the exception of off-site inpatient care, Medicaid does not pay for health care services while a person is incarcerated and, as a result, states either terminate or suspend Medicaid coverage for incarcerated individuals. The SUPPORT Act prevents states from terminating Medicaid eligibility for individuals younger than age 21 and former foster care youth younger than 26 while incarcerated to facilitate reinstatement of Medicaid coverage upon release.<sup>18</sup>

In April 2023, CMS released a new Section 1115 demonstration opportunity for states to provide pre-release Medicaid coverage and improve care transitions for Medicaid-eligible individuals leaving incarceration.<sup>19–21</sup> The first state to receive approval for a reentry-focused demonstration is California (described on page 5).

## Participating States

- ◀ Arizona's Health Care Cost Containment System Targeted Investments 2.0 Program—Justice Focus
- ◀ Arkansas's Life360 HOME Program
- ◀ California's Advancing and Innovating Medi-Cal (CalAIM) Justice-Involved Initiative
- ◀ Illinois's Substance Use Disorder (SUD) Case Management Pilot
- ◀ Maryland's Assistance in Community Integration Services (ACIS) Pilot
- ◀ Massachusetts Specialized Community Support Program for Individuals With Justice Involvement (CSP-JI)
- ◀ Pennsylvania's Opioid Use Disorder Centers of Excellence (COEs)
- ◀ Tennessee's Maternal Opioid Misuse (MOM) Model, Firefly
- ◀ Texas' Regional Healthcare Partnerships (RHPs): Care Management Intervention Programs
- ◀ Vermont's Substance Use Disorder Community Intervention and Treatment (SUD-CIT) Group and Supportive Housing Assistance Pilot
- ◀ Wisconsin's Hub and Spoke Health Homes Pilot Program for Substance Use Disorder (SUD)

## Arizona's Health Care Cost Containment System Targeted Investments 2.0 Program—Justice Focus

- ◀ **Mechanism:** Medicaid Section 1115 waiver
- ◀ **Goal:** Improve physical and behavioral health care integration and advanced health equity by addressing health-related social needs (HRSNs)
- ◀ **Features:** Care integration, care coordination, peer support, in-reach (i.e., meeting members in correctional settings), and wraparound services
- ◀ **Target Beneficiary Population:** Adult Medicaid beneficiaries with chronic unmet health needs who are involved with the justice system
- ◀ **Eligible Providers:** Medicaid-enrolled primary care, behavioral health, integrated clinics, and justice clinics
- ◀ **Time Frame:** October 14, 2022, through September 30, 2027
- ◀ **Geographic Area:** Statewide
- ◀ **Program Resources:**
  - [TI 2.0 Program Website](#)
  - [Arizona Health Care Cost Containment System 1115 Demonstration Approval](#)

In 2017, the CMS approved Arizona amending its existing Health Care Cost Containment System 1115 demonstration program and establishing the Targeted Investments (TI) program, also known as TI 1.0. TI 1.0 was implemented as an incentive program that paid providers that demonstrated improved physical and behavioral care integration for individuals with behavioral health needs.

In 2022, the demonstration program was renewed, and the state launched an equity-centered second phase of the program: TI 2.0. Arizona is utilizing TI 2.0

to enhance service offerings for populations with the greatest HRSNs. Participating providers are required to use an electronic health record system linked to the state's health information exchange to share data, coordinate care between providers, screen Medicaid members with HRSNs to refer these members to resources, and coordinate with community-based organizations.

Justice clinics—outpatient clinics that are co-located with or adjacent to a justice agency site—must develop a high-risk registry that integrates clinical observations relevant to behavioral health with criminogenic assessments conducted by their partner probation and parole or correctional agency.<sup>22</sup> Under TI 2.0, participating providers receive payments from managed care organizations for meeting the program's integration and coordination requirements as well as desired outcome metrics.

Thirteen participating justice clinics are co-located with probation and parole offices across the state. Each justice clinic model is tailored to the needs of its justice agency partner and specific patient population. Historically, these sites work with individuals across the spectrum of incarceration, including both pre-trial and post-release beneficiaries as well as beneficiaries involved in diversion programs. Under TI 2.0, justice clinics will coordinate with jail and corrections staff to:

- ◀ Identify at-risk incarcerated beneficiaries.
- ◀ Anticipate care and care coordination needs (including tobacco cessation) upon the beneficiaries' release.
- ◀ Provide access to peer support services.
- ◀ Arrange for coordinated physical and behavioral care.

- ◀ Identify and address social risk factors for individuals involved in the justice system within the community.

All beneficiaries may use non-emergency medical transportation for care visits, which can be scheduled to coincide with community supervision appointments.<sup>23, 24</sup>

## Arkansas's Life360 HOME Program

- ◀ **Mechanism:** Medicaid Section 1115 waiver
- ◀ **Goal:** Provide intensive care coordination that connects beneficiaries to needed health services and community supports to address health-related social needs
- ◀ **Features:** Intensive care coordination, housing supports, nutrition supports
- ◀ **Target Beneficiary Population:** Women with high-risk pregnancies; high-risk young adults aged 19–30 with histories of military service, incarceration, or foster system involvement; and individuals with an SUD or serious mental illness (SMI) living in rural areas
- ◀ **Eligible Providers:** Medicaid-enrolled hospitals
- ◀ **Time Frame:** November 1, 2022, through December 31, 2026
- ◀ **Geographic Area:** Statewide
- ◀ **Program Resources:**
  - [Arkansas Health and Opportunity for Me \(ARHOME\) 1115 Demonstration Approval](#)
  - [Life360 HOME Program Memo on Proposed Rules](#)

As part of the ARHOME model, the Life360 HOME program operates via a network of hospitals and community-based partners. Under the program, hospitals provide clinical management and contract community-based organizations to provide other

services to participating beneficiaries. There are three distinct Life360 HOME models specific to participant type: maternal, rural, and success. The Maternal Life360 HOME model targets Medicaid beneficiaries with high-risk pregnancies, up to 2 years post-partum. Participants of Maternal Life360 HOME will be enrolled in an evidence-based home visiting program. The Arkansas Department of Human Services estimates that it covered 12,500 beneficiaries with high-risk pregnancies in 2021. The Rural Life360 HOME model provides services to individuals with SUD or SMI diagnoses in rural regions. An estimated 12,800 individuals with SUD and 48,000 individuals with SMI are eligible for Rural Life360 HOME. For the Success Life360 HOME model, participants must be 19–30 years old, with a history of foster care, military service, and/or involvement in the justice system. There are approximately 7,250 eligible individuals from the justice and foster care systems. Referrals can be made to the program through providers, state agencies, community-based service providers, and the community at large.<sup>25</sup>

Each beneficiary participating in Life360 HOME is paired with a trained care coordinator to establish an individualized, person-centered action plan to address unmet health needs and health-related social needs. Beneficiaries collaborate with their coordinators to develop the skills and supports needed to achieve specific goals as outlined in action plans. Target achievements may include obtaining a driver's license, securing housing, or pursuing employment opportunities. All participating beneficiaries are eligible to receive housing support in the form of education and coverage of moving services, rental deposits, or other initial costs associated with moving. Nutritional counseling and education also are available. Although most participants are expected to accomplish all goals set forth in their action plan within

24 months, services can be continued for longer if deemed appropriate and the participants meet certain eligibility requirements.

## California's Advancing and Innovating Medi-Cal (CalAIM) Justice-Involved Initiative

- ◀ **Mechanism:** Medicaid Section 1115 waiver
- ◀ **Goal:** Improve continuity of care for justice-involved individuals to address physical and behavioral health conditions and health-related social needs
- ◀ **Features:** Medicaid coverage during incarceration, intensive care management, reentry support
- ◀ **Target Beneficiary Population:** Adult and youth transitioning from correctional settings into the community who are Medicaid beneficiaries and (in the case of adults) meet health-related criteria (e.g., mental illness, SUD, chronic condition)
- ◀ **Eligible Providers:** Medicaid-enrolled community-based or carceral providers
- ◀ **Time Frame:** January 1, 2022, through December 31, 2026
- ◀ **Geographic Area:** Statewide
- ◀ **Program Resources:**
  - [CalAIM Justice-Involved Initiative Website](#)
  - [California CalAIM 1115 Demonstration Approval](#)

California received approval in January 2023 to provide Medicaid coverage for individuals in correctional settings preparing for reentry. With the approval of the CalAIM Justice-Involved Initiative, incarcerated youth who are eligible for Medicaid and incarcerated adults who are eligible for Medicaid and meet certain health-related criteria may receive Medicaid services in the 90 days prior to release.



Examples of qualifying conditions for adults include chronic mental illness, human immunodeficiency virus (HIV), pregnancy, and SUD. Medicaid will reimburse prescriptions, clinical assessments and visits, care coordination, and case management. The program also aims to provide warm handoffs to health care providers within the community and linkages to other community resources (such as housing or food supports) to Medicaid beneficiaries upon release from carceral facilities. Planned waiver activities aim to address continuity of care during the immediate post-release period and beyond.

In tandem with the coverage benefit for incarcerated members, the state is expanding its intensive, community-based Enhanced Care Management program for members with high rates of health care utilization and complex care needs, including individuals involved in the justice system, individuals with SMI and/or SUD, and individuals experiencing homelessness.<sup>26</sup> The program addresses the clinical health care needs and the health-related social needs of beneficiaries. The state piloted care management specifically for members transitioning from incarceration in 17 counties in 2022 and will implement the program statewide during the renewed waiver period (through December 2026).<sup>27</sup>

## Illinois's Substance Use Disorder (SUD) Case Management Pilot

- ◀ **Mechanism:** Medicaid Section 1115 waiver
- ◀ **Goal:** Reduce prison and jail populations and facilitate access to needed services by deflecting individuals with SUD from incarceration into SUD treatment and case management
- ◀ **Features:** Diversion, case management, SUD treatment

- ◀ **Target Beneficiary Population:** Adult and adolescent beneficiaries with SUD who qualify for diversion from the justice system to treatment
- ◀ **Eligible Providers:** Providers who are licensed to receive Medicaid reimbursement for case management services with the ability to also provide or coordinate medications for OUD
- ◀ **Time Frame:** July 1, 2018, through June 30, 2023
- ◀ **Geographic Area:** Statewide implementation is dependent upon capacity and participating legal jurisdictions
- ◀ **Program Resource:** [Illinois Behavioral Health Transformation 1115 Demonstration Approval](#)

As part of the 2018 Behavioral Health Transformation 1115 Waiver, Illinois launched the SUD Case Management Pilot alongside nine other pilot programs, including a supported employment program and a withdrawal management services program. The activities of the waiver are designed to reach across the spectrum of OUD and other SUDs: prevention, treatment and recovery, and response. In collaboration with judges, prosecutors, law enforcement agencies, and correctional agencies, the SUD Case Management Pilot involves screening for SUDs among individuals awaiting trial and subsequently directing individuals to treatment and community-based case management if eligible. The program considers overdose treatment in both correctional and hospital settings to be a significant window for intervention. Participants of the program are enrolled in Medicaid; assessed for employment, education, housing, and health care needs during case management intake; and connected to housing, employment, childcare, and other supportive services as needed. Consideration for the justice system's requirements of participants are built into the case management they receive. Case managers—who receive monthly payments from

members—must possess a Certified Alcohol and Drug Counselor certification, or work under a supervisor with the certification. As of 2021, enrollment was capped at 2,835 beneficiaries per demonstration year.

## Maryland's Assistance in Community Integration Services (ACIS) Pilot

- ◀ **Mechanism:** Medicaid Section 1115 waiver
- ◀ **Goal:** Improve health outcomes and community integration for at-risk beneficiaries
- ◀ **Features:** Home and community-based services, tenancy-based and housing case management, social service connection
- ◀ **Target Beneficiary Population:** Adult Medicaid beneficiaries with frequent acute care utilization or multiple chronic conditions (including mental health disorder and SUD) who are at risk of institutionalization or homelessness
- ◀ **Eligible Providers:** Local health departments and county governments as lead entities; managed care organizations; health services departments; mental health agencies; community-based providers
- ◀ **Time Frame:** July 1, 2017, through December 31, 2026
- ◀ **Geographic Area:** Statewide
- ◀ **Program Resources:**
  - [ACIS Pilot Website](#)
  - [HealthChoice 1115 Demonstration Monitoring Protocol Approval](#)

Under the ACIS pilot, Maryland's Department of Health directs funding to lead entities, typically local governments, for tenancy-based and general housing case management services. The pilot was first introduced in 2017 under the state's HealthChoice

1115 waiver. When the demonstration was renewed in January 2022, funding for the state increased to add an additional 300 beneficiary participants to the program. The ACIS pilot can now support a total of 900 individuals annually. As of July 2022, four lead entities were participating in the program.<sup>28</sup> Under the section 1115 demonstration, part of the funding for the program comes from federal financial participation, and lead entities must be able to fund the remaining costs. Participating organizations and providers may expand an existing program but can also receive start-up funding for new programs.<sup>29</sup>

Each lead entity defines the target population for the program and determines the process of identifying and referring eligible Medicaid beneficiaries to ACIS services. Medicaid considers various "reasonable and necessary services" permissible under the ACIS pilot, including community integration assessments, coordination of and linkages to substance use and mental health treatment, probation and parole navigation assistance, transportation, and other related services and supports. Services may be provided in-house by the lead entity or through other participating entities, such as a community-based organization.

## Massachusetts' Specialized Community Support Program for Individuals With Justice Involvement (CSP-JI)

- ◀ **Mechanism:** Medicaid Section 1115 waiver
- ◀ **Goal:** Improve access to and quality of health care and address health-related social needs for individuals involved in the justice system living in the outside community
- ◀ **Features:** Case management, service coordination, crisis services, assistance with daily living skills, housing support

- ◀ **Target Beneficiary Population:** Beneficiaries released from a correctional institution within the last year or who are under probation or parole supervision
- ◀ **Eligible Providers:** Hospital or community-based outpatient settings
- ◀ **Time Frame:** October 1, 2022, through December 31, 2027
- ◀ **Geographic Area:** Statewide
- ◀ **Program Resources:**
  - [MassHealth 1115 Demonstration Extension Summary](#)
  - [MassHealth 1115 Demonstration Special Terms and Conditions](#)

Massachusetts' Medicaid operates short-term case management programs called community support programs (CSPs) through community providers across the state. CSPs provide nonclinical services focused on outreach and supportive services for beneficiaries with behavioral health needs. In 2006, the CSP for People Experiencing Chronic Homelessness was launched to address housing instability among the state's Medicaid population. The state has administered other CSPs for subsets of the broader beneficiary population, including individuals with acute treatment needs and refugees. In 2022, the state received approval to extend and amend its existing 1115 demonstration program. As part of this renewal, Massachusetts is continuing to expand its CSPs, including launching CSP-JI, a CSP specifically for beneficiaries involved in the justice system with mental health needs and SUD. In addition, Massachusetts will refine intensive CSPs for beneficiaries experiencing homelessness and individuals facing eviction.

CSP-JI focuses on individuals released from a correctional setting in the past year, including those who are transitioning back into the community

following release. The program will conduct outreach during incarceration as well as provide community-based services after release.<sup>26</sup> CSP-JI services emphasize enhancement of daily living skills, clinical and nonclinical service coordination and linkages (e.g., peer supports, housing, community benefits), participant empowerment and recovery, and crisis plan development. The coverable services are flexible, allowing providers to tailor their models to their respective populations.

## Pennsylvania's Opioid Use Disorder Centers of Excellence (COEs)

- ◀ **Mechanism:** Medicaid SPA
- ◀ **Goal:** Ensure coordinated and integrated care for individuals with OUD and improve access to medication-assisted treatment
- ◀ **Features:** Physical and mental health treatment, community-based care management (CBCM), peer support, social need coordination, vocational training
- ◀ **Target Beneficiary Population:** Youth and adult Medicaid beneficiaries with OUD
- ◀ **Eligible Providers:** Primary care practices, federally qualified health centers, SUD treatment providers, hospitals, and local and county health departments
- ◀ **Time Frame:** 2016 to date (SPA effective January 1, 2022)
- ◀ **Geographic Area:** Statewide
- ◀ **Program Resources:**
  - [COEs Website](#)
  - [SPA Approval for COE Benefits](#)

The Pennsylvania Department of Human Services has established 45 OUD COE locations across the state



to coordinate OUD treatment, physical health care, mental health treatment, and services for social needs for individuals with OUD. The program began through a governor's office grant in 2016 in response to the state's disproportionately high rate of overdose deaths, particularly among men and boys aged 12–25.<sup>31, 32</sup> The capacity of each COE is relative to the implementing care practice; however, each COE is expected to treat at least 300 individuals annually. In 2021, the CBCM services were incorporated into the state's Medicaid state plan through an SPA.

CBCM services are recommended to a beneficiary by a physician or other provider. Beneficiaries are screened for OUD treatment needs, other clinical needs, and health-related social needs. Based on this assessment, an individualized, integrated care plan is created for each beneficiary, and care coordination, referrals, and monitoring are carried out by designated CBCM team members, such as a physician, nurse, counselor, social worker, or peer recovery specialist. Notably, the Pennsylvania Department of Corrections administers a training program for incarcerated individuals to become peer support coaches. Participants receive a certification upon completion of training that allows them to work as peer support specialists after their release, and their services can be reimbursed by Medicaid if they work under a Medicaid provider (e.g., COEs).<sup>29</sup>

## Tennessee's Maternal Opioid Misuse (MOM) Model, Firefly

- ◀ **Mechanism:** Cooperative agreement between the Centers for Medicare & Medicaid Services and the Tennessee Bureau of TennCare under the Center for Medicare and Medicaid Innovation's MOM Model
- ◀ **Goal:** Improve quality of care for pregnant and post-partum Medicaid beneficiaries and children

- ◀ **Features:** Prenatal care, addiction treatment, integrated care, connection to community services, peer support
- ◀ **Target Beneficiary Population:** Pregnant and post-partum Medicaid beneficiaries with OUD and their infants
- ◀ **Eligible Providers:** Hospitals, federally qualified health centers, managed care organizations
- ◀ **Time Frame:** July 1, 2021, through December 31, 2025
- ◀ **Geographic Area:** State counties of Giles, Wayne, Maury, Wilson, Lincoln, Perry, Hickman, Sumner, Stewart, Lawrence, Dickson, Bedford, Davidson, Williamson, Rutherford, Smith, Lewis, Humphreys, Robertson, Macon, Marshall, Montgomery, Cheatham, Houston, Moore, and Trousdale
- ◀ **Program Resources:**
  - [National MOM Model Program Website](#)
  - [MOM Model Evaluation Pre-Implementation Evaluation Report](#)
  - [Firefly program website](#)

Neonatal abstinence syndrome is estimated to cost \$1.5 billion nationwide annually, and Medicaid is the primary payer for care associated with maternal substance use in the country.<sup>34</sup> In response to gaps in medications for OUD care for pregnant beneficiaries and the systemic burden of maternal substance use, the Center for Medicare and Medicaid Innovation announced a transformation model, the MOM Model, in 2018. Currently, eight states are participating in the model: Colorado, Indiana, Maine, Maryland, New Hampshire, Tennessee, Texas, and West Virginia. Recipient programs receive 5 years of funding and support to secure sustainable financing for their program, such as a Section 1115 waiver or an SPA.

Tennessee’s MOM Model, Firefly, is a comprehensive “concierge” program for pregnant and post-partum beneficiaries with OUD. Internal and external advisory boards—composed of academic medical faculty, managed care organizations, community stakeholders, and women with lived experience—contribute to steering of the model.<sup>35</sup> Managed care organizations and providers refer beneficiaries to the program. Following an intake appointment, participants are connected to co-located obstetric, prenatal, and substance use treatment (including medications for OUD), as well as nutrition services, medical transportation, and basic childcare necessities (e.g., diapers and formula) through the program. A trained peer recovery specialist facilitates coordination and navigation. Firefly’s projected beneficiary enrollment during the model implementation is anticipated to exceed 300 members.<sup>36</sup>

## Texas’ Regional Healthcare Partnerships (RHPs): Care Management Intervention Programs

- ◀ **Mechanism:** Medicaid Section 1115 waiver
- ◀ **Goal:** Integrate care management to divert individuals from emergency departments, crisis, and jails into primary care and community settings
- ◀ **Features:** Diversion, case management
- ◀ **Target Beneficiary Population:** Individuals with co-occurring mental health and substance use disorders and chronic physical health conditions
- ◀ **Participating Providers:** Hospitals, community-based organizations, community providers, local health authorities, and other stakeholders
- ◀ **Time Frame:** January 15, 2021, through September 30, 2030

◀ **Geographic Area:** Statewide

◀ **Program Resources:**

- [Texas Healthcare Transformation and Quality Improvement Program \(THTQIP\) 1115 Demonstration Approval and Related Documents](#)
- [RHP Summary Information for DSRIP](#)

Since 2011, Texas has operated the Texas Healthcare Transformation and Quality Improvement Program (THTQIP) Section 1115 demonstration program. During the initial demonstration period, the state developed its Delivery System Reform Incentive Payment (DSRIP) program, which offered providers the ability to receive incentive payments for accomplishing improved beneficiary outcomes through infrastructure development and care innovation projects. Per the most recent approval of the THTQIP waiver in 2023, the state will begin using RHPs to accomplish the goals originally set forth by the DSRIP program. RHPs, led by a hospital or other entity and composed of multiple providers, implement projects in their regions (designated by Medicaid) to improve the health of their respective beneficiary populations. RHPs submit a plan to the state identifying the projects and project-specific milestones and metrics. The approved waiver specifies eligible RHP project models and performance measures for which RHPs can receive incentive payments. These projects include initiatives focused on infrastructure, innovative care models, quality improvement, and population health improvement.

One type of RHP program that Texas Medicaid aims to develop is a care management intervention program that addresses unnecessary incarceration, emergency department utilization, and crisis service utilization. The goals of the program are to (1) identify and engage beneficiaries with co-occurring mental health, substance use, and chronic physical disorders in primary and specialty care, (2) identify community

resources to support the needs of these beneficiaries, and (3) provide coordinated care. Models under this project type may include court-administered diversion programs, crisis-response programs, and other case management initiatives for individuals involved in the justice system or with SUD. Projects could emphasize the pre-trial period, reentry, or specialty court participation, so long as they adhere to the guidelines and performance metrics set forth in the waiver. Participating programs can incorporate other waiver-aligned activities, such as enrolling individuals in Medicaid, to maximize reimbursement through the waiver. Projects that demonstrate a reduction in jail or emergency department admissions will receive incentive payments.

## Vermont's Substance Use Disorder Community Intervention and Treatment (SUD-CIT) Group and Supportive Housing Assistance Pilot

- ◀ **Mechanism:** Medicaid Section 1115 waiver
- ◀ **Goal:** Expand access to SUD treatment to individuals who are uninsured or underinsured (for SUD-CIT) and support Medicaid beneficiaries in obtaining housing appropriate for their needs (for the Supportive Housing Assistance Pilot)
- ◀ **Features:** Case management, SUD treatment access, housing support
- ◀ **Target Beneficiary Population:** Income-eligible individuals with an SUD diagnosis (for SUD-CIT); Medicaid beneficiaries with qualifying mental or physical health needs (including SUD and serious mental illness diagnosis) with a history of incarceration, at risk for institutionalization or homelessness, or with another qualifying risk factor (for the Supportive Housing Assistance Pilot)

- ◀ **Participating Providers:** Medicaid-enrolled SUD treatment providers, qualified staff providing tenancy-support and transition services, qualified housing case managers
- ◀ **Time Frame:** July 1, 2022, through December 31, 2027
- ◀ **Geographic Area:** Statewide
- ◀ **Program Resources:**
  - [Global Commitment to Health 1115 Demonstration Approval](#)
  - [Global Commitment to Health Demonstration Special Terms and Conditions](#)

Vermont received approval to renew its Global Commitment to Health 1115 demonstration program in March 2023. This waiver includes the state's Section 1115 SUD demonstration program as well as other initiatives focused on Medicaid beneficiaries with SUD. One initiative is the SUD-CIT Group, a new beneficiary group the state created to provide SUD treatment for individuals not eligible for the standard state plan. The income eligibility for this demonstration expansion population includes individuals with an annual income between 133 percent and 225 percent of the federal poverty level. SUD-CIT enrollees would potentially otherwise be uninsured or underinsured but instead have access to SUD treatment services under the state plan, including care coordination, peer support, clinical therapy and counseling, residential treatment for SUD, recovery housing, and withdrawal management services.

In addition, Vermont Medicaid is implementing a Supportive Housing Assistance Pilot program for adult Medicaid beneficiaries who meet health and risk-based criteria. Participants will receive pre-tenancy support, tenancy-sustaining services, and transition services. More specifically, this may include housing need assessments and assistance in obtaining resources and

benefits, connections to community resources, eviction prevention services, utility and security deposits, and essential household furnishings for pilot participants. Case managers or other similar providers must possess at least 1 year of experience and a bachelor's degree in a human services-related field to qualify for reimbursement. The state intends to set an annual beneficiary enrollment limit for the housing assistance pilot.

## Wisconsin's Hub and Spoke Health Home Pilot Program for Substance Use Disorder (SUD)

- ◀ **Mechanism:** Medicaid SPA
- ◀ **Goal:** Provide a seamless transition to integrated physical and behavioral health care services from emergency departments, correctional settings, and other locations where SUD treatment is initiated
- ◀ **Features:** Care management and coordination, peer support, referral to community and social support services
- ◀ **Target Beneficiary Population:** Medicaid-eligible adults and youth with SUD at risk for chronic mental and physical health conditions who have access to one of the participating hub providers
- ◀ **Participating Providers:** Family Health Center of Marshfield, Oneida Nation Behavioral Health Center, Wisconsin Community Services as hubs; community partners as spokes.<sup>37</sup>
- ◀ **Time Frame:** July 1, 2021, to present
- ◀ **Geographic Area:** Three regions: (1) Forest, Iron, Oneida, Price, and Vilas Counties as well as the Forest County Potawatomi, the Lac du Flambeau Band of Lake Superior Chippewa, and the Sokaogon Chippewa Tribal Nations; (2) Brown and Outagamie Counties and Oneida Nation; and (3) Milwaukee County

### ◀ Program Resources:

- [Hub and Spoke Health Home Pilot Program Overview](#)
- [2022 SPA Approval](#)
- [2021 SPA Approval](#)

Through a 2021 SPA, Wisconsin created a unique benefit for Medicaid beneficiaries: the Integrated Recovery Support Services benefit provided to eligible Medicaid beneficiaries through an SUD health home program modeled after a similar hub-and-spoke model implemented in Vermont. The funding for the model's development was granted by the state legislative assembly through 2019 Wisconsin Act 9.<sup>38</sup> Wisconsin's Hub and Spoke Health Homes Pilot Program provide services in five domains: care coordination, health promotion, individual and family support, referrals (often by peer support specialists or cultural advisors), and transition and follow-up care.

Currently, there are three hub sites in Wisconsin with one focus each: rural, tribal, and urban service. The state employs a "no wrong door" policy for beneficiary participation; beneficiaries are identified via jails, emergency departments, individual health care offices, and other settings, or they self-refer. Hospitals, primary care providers, county programs, and health plans notify beneficiaries of eligibility. The program aims to reduce wait times and limit barriers to accessing medication for OUD, counseling, and other services through a "constant, two-way referral system."<sup>39</sup> The number of participants is determined by the capacity of each site, and reimbursement is provided on a per-member, per-month basis consistent with each enrollee's level of care.

## Key Takeaways

- ◀ State Medicaid programs are engaged in a variety of efforts with the goal of responding to the public health and public safety crisis resulting from the growing prevalence of substance use and of supporting access to treatment and recovery services in the justice system.
- ◀ Many of the initiatives highlighted in this report provide examples of cross-system collaboration by state Medicaid agencies, corrections offices or carceral settings, local health authorities, and/or community organizations.
- ◀ Community-based service providers seeking to contribute to these initiatives may find opportunities at the county, regional, or state level. States often designate Medicaid regions, and interested providers may find it helpful to identify opportunities to collaborate within their regions.
- ◀ Many of the initiatives described in this report include a focus on health-related social needs. Housing is a particularly significant area of intervention and a critically important touchpoint for treatment uptake.
- ◀ Beneficiary eligibility for these programs, although specific to the respective state Medicaid's goals, is often flexible and broad. If an individual is not explicitly eligible for a particular program based on their primary diagnosis or need, they may still qualify for participation based on different criteria. Coordinators and advocates for beneficiaries with SUD and/or involvement with the justice system should pay close attention to Medicaid program eligibility to ensure that they are aware of all resources available to a person.

For more information about Medicaid SPAs and Section 1115 demonstrations, visit [Medicaid | Medicaid](#).

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Visit the Comprehensive Opioid, Stimulant, and Substance Abuse Program (COSSAP) Resource Center (transitioning in the next few months to the Comprehensive Opioid, Stimulant, and Substance Use Program [COSSUP] Resource Center) at [www.cossapresources.org](http://www.cossapresources.org).

## About COSSUP

COSSAP is transitioning to the Comprehensive Opioid, Stimulant, and Substance Use Program (COSSUP). This change in title for the program is indicative of efforts to reduce the stigma related to substance use and to support impacted people in their recovery journey.

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