



Medicaid 1115 Waiver

Background

The Section 1115 Re-entry Waiver allows states to request federal approval to test Medicaid initiatives that deviate from standard rules to meet Medicaid objectives. Historically, Medicaid coverage for incarcerated individuals was limited due to the "inmate exclusion policy," except for inpatient hospital care. However, in April 2023, new guidance through the Medicaid Re-entry Section 1115 Demonstration was aimed at improving healthcare access for Medicaid-eligible individuals in state prisons, county jails and juvenile facilities. Michigan's waiver, approved by federal officials on Dec. 27, 2024, allows the state to enroll incarcerated individuals in Medicaid up to 30 days before their release, ensuring continuous health care as they transition to the community. Michigan joins 26 other states and D.C. in this initiative.

MAC's Efforts

- MAC was proud to advocate for approval of the Section 1115 waivers to lift the statutory Medicaid inmate exclusion for services provided to people in custody.
- MAC is participating in discussions to ensure that the concerns of counties are addressed, as this waiver will have a significant impact on local budgets, jails, and communities. We will continue to monitor developments and provide updates as they arise.

Key Insights

- **Staged Implementations:** The 1115 waiver, along with the 2023 Consolidated Appropriations Act (CAA), provides additional funding to cover healthcare for juveniles in the justice system. Michigan's approach will begin with a focus on juvenile justice facilities:
 - Stage 1 (January 2025): Enrollment will start in juvenile justice facilities with eligibility and enrollment capabilities. These facilities will enroll eligible post-adjudicated youth in Medicaid, provide screening, diagnostic, and case management services. A manual claims workaround will be used in Q1 2025 as facilities prepare for Medicaid reimbursement claims.
 - Stage 2 (January 2027): All eligible youth across facility types will be enrolled in Medicaid/CHIP before receiving Medicaid-funded services. All facilities will offer screening, diagnostic services, and case management, with providers enrolled as Medicaid providers for CAA services and billing.
- As other states have received this waiver, Michigan has gained valuable insights into both successful strategies and potential challenges. One of the most common implementation hurdles observed across states is the coordination of data sharing and the enrollment process for incarcerated individuals and their health care providers.