

Wisconsin Department of Health Services Section

1115 Community Reentry Waiver

I. Overview

Under federal law, the State of Wisconsin Department of Health Services (DHS) must notify the public of its intent to submit to the Centers for Medicare & Medicaid Services (CMS) any new 1115 demonstration waiver project, extension, or amendment of any previously approved demonstration waiver project, or ending of any previously approved expiring demonstration waiver project, and must provide an appropriate public comment period before submitting to CMS the new, extended, or amended 1115 demonstration waiver application.

This notice serves to meet these federal requirements and to notify the public that, as required by 2025 WI Act 233, the State of Wisconsin intends to submit an application to CMS by January 1, 2027, requesting a new 1115 Waiver that would provide coverage for some services to Medicaid-enrolled individuals up to 90 days before they are released from a correctional facility, following adjudication of charges. For people whose release date is determined with less than a 90-day notice, services will begin as soon as feasible after the release date is known.

These services include:

- **Case management**, starting up to 90 days before release, to help connect people with health care, housing, and other support they'll need in the community.
- **Medication-assisted treatment (MAT)** for any substance use disorder, starting up to 90 days before release.
- **A 30-day supply of prescription medications** on the day the person is released.

DHS intends to implement the demonstration statewide as soon as possible after CMS approval. DHS will take a phased approach to implementation across facilities based on their readiness to meet all state and federal requirements for the waiver. Implementation will begin with facilities that can demonstrate readiness, but Wisconsin Medicaid will also work with lower capacity facilities to prepare for eventual implementation through readiness assessments and capacity building opportunities.

You can review the official waiver request and provide comments for the next 31 days (see below), as well as provide written or verbal statements at the required public hearing.

DHS will hold a virtual public hearing on October 14, 2026, from 9:30 a.m. – 10:30 a.m.

Join online through Zoom at <https://dhswi.zoomgov.com/j/1654633295>.

Or join by phone:

Dial: US: +1 669 254 5252 US (San Jose), or +1 646 828 7666 US (New York), or +1 669 216 1590 US (San Jose), or +1 551 285 1373 US (New Jersey)
Webinar ID: 165 463 3295

Comments will be considered to determine if changes should be made to the waiver request but will not impact proposed or enacted state and federal law. In addition, all public comments will be communicated to the federal Department of Health and Human Services (HHS) as part of the final waiver application.

Accessibility

English

DHS is an equal opportunity employer and service provider. If you need accommodations because of a disability, need an interpreter or translator, or need this material in another language or an alternate format, you may request assistance to participate by contacting Nicholas Di Meo at 262-521-5388. You must make your request at least seven days before the activity.

Spanish

DHS es una agencia que ofrece igualdad en las oportunidades de empleo y servicios. Si necesita algún tipo de acomodaciones debido a incapacidad o si necesita un interprete, traductor o esta información en su propio idioma o en un formato alterno, usted puede pedir asistencia para participar en los programas comunicándose con Nicholas Di Meo at 262-521-5388. Debe someter su petición por lo menos 7 días de antes de la actividad.

Hmong

DHS yog ib tus tswv hauj lwm thiab yog ib qhov chaw pab cuam uas muab vaj huam sib luag rau sawv daws. Yog koj xav tau kev pab vim muaj mob xiam oob qhab los yog xav tau ib tus neeg pab txhais lus los yog txhais ntaub ntawv, los yog koj xav tau cov ntaub ntawv no ua lwm hom lus los yog lwm hom ntawv, koj yuav tau thov kev pab uas yog hu rau Nicholas Di Meo at 262-521-5388. Koj yuav tsum thov qhov kev pab yam tsawg kawg 7 hnuv ua ntej qhov hauj lwm ntawd.

II. Background

Through this waiver, the Wisconsin Department of Health Services (DHS) is asking the Centers for Medicare & Medicaid Services (CMS) for a new waiver that would provide Medicaid-eligible inmates with coverage for case management and medication-assisted treatment (MAT) up to 90 days before a person is released, and a 30-day supply of prescription medications upon release.

III. Project Goals

The goals of this project are to expand access to care for incarcerated individuals and promote continuity of care to support their successful reentry into Wisconsin communities by:

1. **Increasing coverage, continuity of coverage, and appropriate service uptake** through assessment of eligibility and availability of coverage for benefits in correctional settings just prior to release.
2. **Improving access to services** prior to release and improve transitions and continuity of care into the community upon release and during reentry.
3. **Improving coordination and communication** between correctional systems, Medicaid systems, managed care plans, and community-based providers.
4. **Increasing additional investments in health care and related services**, aimed at improving the quality of care for beneficiaries in correctional settings and in the community to maximize successful reentry post-release.
5. **Improving connections** between correctional settings and community services upon release to address physical health, behavioral health, and health-related social needs (HRSN).
6. **Reducing all-cause deaths** in the near-term post-release.
7. **Reducing the number of emergency department visits and inpatient hospitalizations** among recently incarcerated Medicaid beneficiaries through increased receipt of preventive and routine physical and behavioral health care.

IV. Project Description

Current Program: Federal law prohibits using federal dollars to pay for medical services provided to Medicaid members while they are incarcerated in a public institution like a jail or a prison. In Wisconsin, while a person is in custody of the correctional facility, it is the responsibility of the facility to provide appropriate medical care and treatment (unless the person is treated in an inpatient hospital setting for more than 24 hours).

Correctional facilities have some ability to provide MAT services, however, there are barriers to meeting the full need of the people in their care. Many correctional facilities can continue to administer MAT to people who enter their facility already in treatment, but struggle to initiate treatment for people who are diagnosed once they are in their facility.

Likewise, correctional facilities provide pre-release services which includes some case management services to help individuals prepare for reentry into the community. However, the type of case management services and level of services offered is different at each facility.

Finally, some prisons and jails provide prescription drugs for people when they are released, but this is not required. Currently, Medicaid can't pay for these drugs. If someone is enrolled in Medicaid before their release but the prison or jail didn't provide prescription drugs, the member would need to schedule a doctor's appointment, see the doctor to get a prescription, and go to the pharmacy to pick up prescriptions. Completing all of these steps may be challenging for people who are unstably housed or have other competing, high-priority needs.

Waiver Proposal: Under this waiver demonstration, individuals in correctional facilities who are otherwise eligible for Medicaid would receive case management up to 90 days before their

release to assess and address physical and behavioral health needs, and health-related social needs. Case management will also include scheduling appointments for needed services and warm hand-offs to providers and community-based case managers, as appropriate. Members diagnosed with any type of substance use disorder will also receive medication-assisted treatment, again starting up to 90 days before release. Medicaid would also cover a 30-day supply of all necessary covered prescription medications immediately upon release from a correctional facility, as clinically appropriate based on the medication and indication.

V. Demonstration Population, Eligibility, and Enrollment

This demonstration proposal will provide limited Medicaid benefits during the 90-day period before an eligible individual's release from incarceration, following adjudication of charges. For people whose release date is determined with less than a 90-day notice, services will begin as soon as feasible after the release date is known. Eligible individuals are adults and children who meet the following qualifying criteria:

1. Meet the definition of an inmate of a public institution, as specified in 42 CFR 435.1010, and be incarcerated in a state prison, local jail, tribal correctional facility, or youth correctional facility following adjudication of charges, and;
2. Be enrolled in or otherwise eligible to receive Medicaid or CHIP.

This Demonstration will not restrict any existing Medicaid eligibility; rather, it will expand eligibility to include more people experiencing incarceration.

VI. Delivery System

Wisconsin will deliver all waiver services through the fee-for-service delivery system. Following release, members will be enrolled into managed care following normal Wisconsin Medicaid rules and processes. A combination of carceral and Medicaid-enrolled community providers will deliver all waiver services.

VII. Benefits Coverage & Cost Sharing

Case management services will assess and address physical and behavioral health needs and health related social needs (HRSN), with activities including: comprehensive assessment and periodic reassessment of individual needs; development (and periodic revision) of a specific care plan; referral, scheduling assistance, and warm handoff to service providers; and monitoring and follow-up to ensure that the care plan is effectively implemented and adequately addresses the member's needs.

MAT includes medication in combination with counseling or behavioral therapies. MAT will be available through this demonstration for individuals with a diagnosis of any substance use

disorder as clinically appropriate in the 90-day pre-release period. MAT can be provided through a combination of carceral and community providers.

All members eligible for waiver services will receive a 30-day supply of all necessary covered prescription medications immediately upon release from a correctional facility, as clinically appropriate based on the medication and indication.

This waiver will not impose new cost-sharing requirements. Individuals determined eligible for Medicaid will be subject upon release to the same cost-sharing requirements authorized under Wisconsin's Medicaid State Plan.

VIII. Budget and Cost-Effectiveness Analysis

Federal policy requires Section 1115 demonstration waivers are budget neutral to the federal government. This means a demonstration should not cost the federal government more than what would have otherwise been spent absent the demonstration. Demonstration of federal budget neutrality for a Section 1115 demonstration application must follow a unique process from federal and state budgeting and health plan rate setting. The processes, methods, and calculations required to demonstrate federal budget neutrality appropriately are for that express purpose only. Therefore, the budget neutrality model should not be construed as a substitute for budgeting and rate setting or imply any guarantee of any specific payment.

To ensure budget neutrality for each federal fiscal year for this extension, Wisconsin uses a per-member per month (PMPM)-based methodology specific to the applicable Medicaid Eligibility Group (MEG) for this waiver population. The MEG is defined as individuals who are within 90 days of planned release from a state prison, local jail, tribal correctional facility, or youth correctional facility following adjudication of charges. The PMPM calculation has been established in the context of current federal and state law, and with the appropriate analytically sound baselines and adjustments. Budget neutrality submission is contingent on CMS approval. CMS establishes the trend rates and amounts at approval. The outcome of these calculations will be shared as an appendix with the CMS application and the final budget neutrality limits will be posted at approval.

IX. Evaluation Design

This demonstration will test whether the expenditure authority granted under this demonstration results in expanded access to care for incarcerated individuals and improved continuity of care to support successful reentry into Wisconsin communities. DHS has developed a high-level preliminary evaluation plan which has been developed in alignment with CMS evaluation design guidance for Community Reentry 1115 waiver demonstrations. Upon CMS approval of this waiver application, the State will contract with an independent evaluator to conduct a rigorous and independent evaluation of the demonstration.

The first demonstration goal is to increase coverage, continuity of coverage, and appropriate service uptake through assessment of eligibility and availability of coverage for benefits in carceral settings just prior to release. DHS intends to test the hypothesis that better coordination and supports for enrolling justice-involved individuals re-entering the community into Medicaid will result in increased utilization of timely care post-release, including behavioral health and preventive visits.

Another demonstration goal is to improve access to services prior to release and improve transitions and continuity of care into the community upon release and during reentry. DHS will test the hypothesis that access to pre-release services through case management will result in continuity of Medicaid coverage and utilization of targeted health services upon release to the community, resulting in improved short-term outcomes (e.g., reduced overdose rates).

The next demonstration goal is to improve coordination and communication between correctional systems, Medicaid systems, managed care plans, and community-based providers. DHS will test the hypothesis that implementation of pre-release services will result in increased collaboration between stakeholders, identification of medical needs and HRSN prior to release, gradual expansion of access to pre-release services for justice-involved individuals, and improved insights into health care delivery for this population.

Another demonstration goal is to reduce number of emergency department (ED) visits and inpatient hospitalizations among recently incarcerated Medicaid beneficiaries through increased receipt of preventive and routine physical and behavioral health care. DHS will test the hypothesis that benefits provided through the demonstration will result in reduced avoidable hospitalizations and ED utilization.

A Wisconsin-specific demonstration goal is to enable thoughtful care planning that meets members' health care needs and health-related social needs by offering 90 days of pre-release services. DHS will test the hypothesis that providing an extended period of pre-release services, particularly case management, will keep members engaged in established care relationships and build trusting relationships between members and case managers, leading to better care plan execution.

A detailed evaluation design will be developed for review and approval by CMS. The evaluator will use relevant data from the BadgerCare Plus and Medicaid for the Elderly, Blind and Disabled programs. This may include eligibility, enrollment, claims, payment, encounter/utilization, chart reviews, and other administrative data. The evaluator will have access to correctional records and may also conduct surveys and focus groups of beneficiaries and providers and other original data collection, as appropriate.

Both interim and final evaluations will be conducted to help inform the state, CMS, partners, and the general public about the performance of the demonstration. All evaluation reports will be made public and posted on the DHS website.

X. Specific Waiver and Expenditure Authorities

Wisconsin requests the following waiver authorities.

- 1902(a)(1) Statewidelessness – To limit pre-release services to certain facilities during phased implementation beginning with adult DOC prisons.
- 1902(a)23(A) Freedom of Choice – To allow Wisconsin require members to receive pre-release services through certain providers.
- Section 1902(1)(10)(B) Amount, Duration, and Scope and Comparability – To allow Wisconsin to provide a limited set of pre-release services, as described in this application, that is different from the services available to other members in the same eligibility groups.

Wisconsin requests the following expenditure authorities.

- Expenditures Related to Pre-Release Services – Expenditures for pre-release services rendered to eligible members up to 90 calendar days prior to their release, which comprises case management, MAT, and a 30-day supply of medication upon release.
- Expenditures Related to Reentry Implementation – Expenditure authority for administrative costs to support demonstration implementation capacity at the community level, including payments to qualified entities for infrastructure and capacity building, as well as for interventions and services that will enable implementation of the demonstration benefits.

No additional waivers of Title XIX or Title XXI are requested through this demonstration application.

XI. Copies of Demonstration Project Waiver Documents

Copies of waiver documents, including the full public notice, the draft application (to be posted on October 1, 2026), and the final waiver application, once complete, may be obtained from DHS at no charge by downloading the documents at dhs.wi.gov/medicaid/reentrywaiver.htm or by contacting Nicholas Di Meo at:

Mail: Nicholas Di Meo
Waukesha State Office Building
Department of Health Services, Division of Medicaid Services
141 NW Barstow St. Rm 126
Waukesha, WI 53188

Email: DHSDMSReentryWaiver@dhs.wisconsin.gov

XII. Written Comments

Written comments on the proposed changes are welcome and will be accepted from October 1, 2026, through October 31, 2026. Written comments may be sent to:

Mail: Nicholas Di Meo
Waukesha State Office Building
Department of Health Services, Division of Medicaid Services
141 NW Barstow St. Rm 126
Waukesha, WI 53188

Email: DHSDMSReentryWaiver@dhs.wisconsin.gov