



Justice Center

THE COUNCIL OF STATE GOVERNMENTS

How States Can Leverage Medicaid to Reduce Recidivism and Improve Health Outcomes

August 20, 2025

The Council of State Governments Justice Center

We are a national nonprofit, nonpartisan organization that combines the power of a membership association, serving state officials in all three branches of government, with policy and research expertise to develop strategies that increase public safety and strengthen communities.

How We Work

We bring people together

We drive the criminal justice field forward with original research

We build momentum for policy change

We provide expert assistance

Introductions

CSG Justice Center Speakers



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CSG Midwest Legislative Conference

HHS Committee Moderators



Anna Moeller

Illinois
Representative



Taylor Rehfeldt

South Dakota
Representative



Brett Barker

Iowa
Representative

Poll

Before we begin,
please complete this
four-question poll so
we can learn more
about you and what
ongoing support would
be useful to you and
your organization.



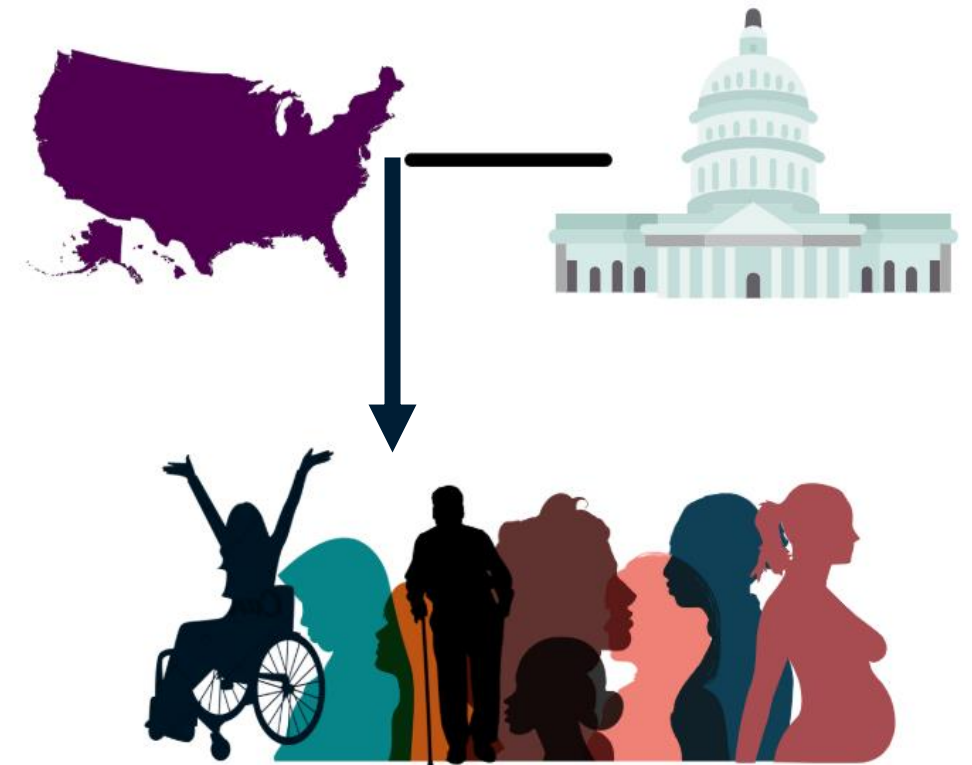
Agenda

- 1** Medicaid Changes Are Redefining Reentry
- 2** The Reentry Challenge
- 3** New Federal Opportunities Are Improving Access to Care
- 4** Youth and Young Adult Provisions
- 5** Medicaid 1115 Reentry Waiver Demonstrations and What They Make Possible
- 6** How Legislators Can Support Medicaid-Funded Reentry Work

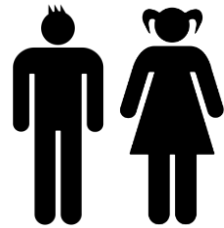
Medicaid changes are redefining reentry.

Reforms under HR. 1, The One Big Beautiful Bill Act (“OBBBA”), have put Medicaid in the spotlight, but new federal reentry provisions remain viable and time sensitive. For the first time, Medicaid can help states strengthen transitions by:

- Ensuring youth and adults stay connected to care before and after release from custody
- Stabilizing reentry and reducing recidivism by preventing gaps in treatment
- Delivering savings and improving public safety by aligning health and justice priorities



Individuals in correctional settings have significant health care needs.



>70% of youth in the juvenile justice system have mental health needs.

50%+ of youth in foster care have experienced an arrest, conviction, or overnight stay in a correctional facility by the age of 17.



65% of the prison population has an active substance use disorder.

64% of people in state and federal prison reported using at least one drug in the 30 days prior to arrest for the offense for which they were serving time.

See slide 28 for sources.

The Reentry Challenge

The “inmate exclusion policy” prohibited the use of Medicaid funds for incarcerated people

- This contributed to poor connection to care (including appointments and medications) for youth involved in the juvenile justice system

Ensuring Medicaid coverage upon release has historically varied by state agencies

- Effective approaches must include partnerships between juvenile justice facilities, Medicaid, and health care providers

The Cost of Missed Connections

All carceral authorities are constitutionally obligated to provide needed health care for people in their custody. However, the provision of health care within carceral systems is widely variable.



\$34,000

Average overall annual cost of **holding** a person in **jail** in 2017



\$33,274

Average annual cost of **holding** a person in a **state prison** since 2015



\$5,700

Typical annual cost of **health care services** for an individual incarcerated in a **state prison in 2015**

See slide 29 for sources.

Most people leaving custody are eligible for Medicaid.



In Medicaid expansion states, most incarcerated adults are Medicaid eligible. Nationally, **at least 1 in 4 adults under community supervision were already enrolled in Medicaid before incarceration.**



Between 2015 and 2019, **60 percent of non-institutionalized youth who stayed in jail or juvenile detention were likely to be enrolled in Medicaid.**

"Report to Congress on Medicaid and CHIP" (Washington, DC: Medicaid and CHIP Payment and Access Commission, 2023), https://www.macpac.gov/wp-content/uploads/2023/06/MACPAC_June-2023-WEB-508.pdf; "Access in Brief: Health Care Needs and Use of Services by Adolescents Involved with the Juvenile Justice System" (Washington, DC: Medicaid and CHIP Payment and Access Commission, 2021), <https://www.macpac.gov/wp-content/uploads/2021/08/Access-in-Brief-Health-Care-Needs-and-Use-of-Services-by-Adolescents-Involved-with-the-Juvenile-Justice-System-1.pdf>. .

Federal policy is opening new doors for Medicaid and corrections.

**Starting January 1, 2025,
young people can maintain
Medicaid coverage
while incarcerated.**



BJA
Bureau of Justice Assistance
U.S. Department of Justice



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NEW IN 2026

Suspend, not terminate, Medicaid coverage during incarceration.



There are new opportunities to improve access to care for youth in the juvenile justice system.

SUPPORT Act requires that **states do not terminate Medicaid eligibility** when eligible youth become incarcerated in a public institution.

States must conduct a Medicaid redetermination of eligibility for youth prior to their release, without requiring a new application.

Coverage for incarcerated youth and youth formerly in foster care who are found eligible for Medicaid during the pre-release redetermination must have their Medicaid benefits restored upon release.

"All State Medicaid and CHIP Call," Centers for Medicare and Medicaid Services, March 16, 2021.

Mandatory Criteria for Youth Requirements

Effective January 1, 2025, the Omnibus Bill of 2022 (the Consolidated Appropriations Act of 2023) mandated state Medicaid and CHIP programs to require **screenings, referrals, and case management** for eligible youth in public institutions under Section 5121. This includes Medicaid-covered services 30 days prior to release for youth up to age 21 and up to age 26 for former foster youth:

- Medically necessary screenings in accordance with Medicaid Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) requirements
- Targeted case management services, including referrals to care 30 days pre- and post-release

Optional Criteria for Youth with Pending Charges

Effective Jan. 1, 2025, states also have the option to provide Medicaid and CHIP coverage to youth in public institutions during the initial period pending disposition of charges. This is optional criteria under CAA Section 5122.

Improving Access to Services Before and During Juvenile Justice Involvement

States can leverage Medicaid to fund:

Evidence-based services for youth such as FFT, TF-CBT, MST, DBT and others

Tiered staffing models that include peers, community health workers, and family advocates



Including these approaches in the state plan allows youth to access services without justice involvement, address workforce issues, and maximize state dollars.

Young People in Adult Facilities

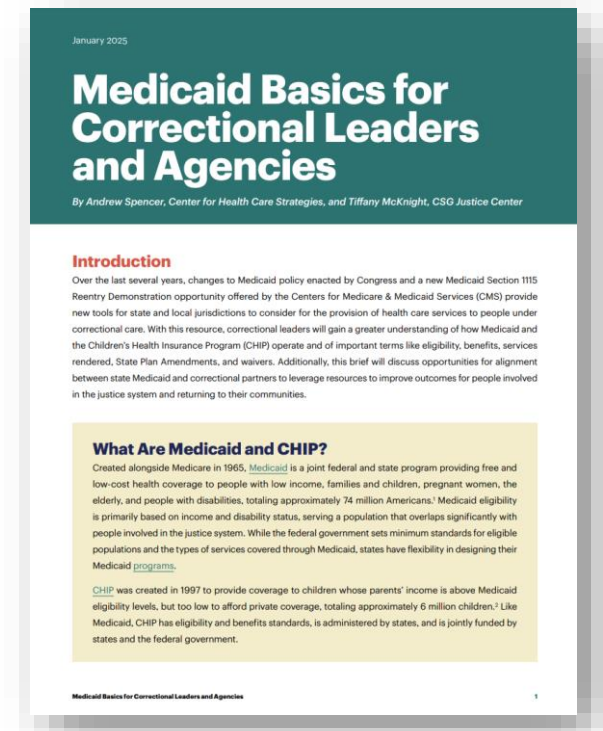
Adult jails are identifying eligible youth in adult facilities by implementing processes and procedures like:

- ✓ Establishing intake flags to identify eligible individuals
- ✓ Increasing coordination with Medicaid agencies
- ✓ Connecting to juvenile health or specialized providers
- ✓ Adjusting housing or programming for age-appropriate care

What is a Medicaid 1115 Reentry Demonstration Waiver?

- Medicaid Section 1115 Reentry Demonstrations, or “reentry waivers” give states flexibility to pilot new approaches to improve their state’s Medicaid program to better serve Medicaid-eligible individuals pre- and post-incarceration.
- States that apply for and are approved for a reentry waiver can address eligibility, benefits, and delivery systems in ways that would otherwise not be allowed under Medicaid.

Liz Buck et al., “What Correctional Agencies Need to Know about the Medicaid Section 1115 Reentry Demonstration Opportunity” (Center for Health Care Strategies and the CSG Justice Center, 2024), <https://csgjusticecenter.org/publications/what-correctional-agencies-need-to-know-about-the-medicaid-section-1115-reentry-demonstration-opportunity/>.



Visit the National Reentry Resource Center to learn more about *Medicaid Basics for Correctional Leaders and Agencies*

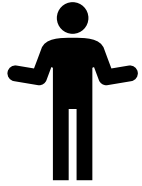
What are components of a reentry waiver?

If approved, states **must**:

- ✓ Suspend, instead of terminate, Medicaid coverage during incarceration.
- ✓ Provide Medicaid-covered services *up to* 90 days pre-release.
- ✓ Decide which groups of Medicaid beneficiaries are eligible for pre-release services and can define populations with specific conditions and identification criteria.
- ✓ Provide case management to address physical and behavioral health needs and health-related social needs.
- ✓ Provide medication-assisted treatment (MAT) for substance use disorders.
- ✓ Provide 30-day supply of prescribed medications upon release.
- ✓ Ensure that comprehensive Medicaid and CHIP benefits are available to beneficiaries in the state, as established in the state Medicaid plan.

Daniel Tsai, "Opportunities to Test Transition-Related Strategies to Support Community Reentry and Improve Care Transitions for Individuals Who Are Incarcerated" (Baltimore: Centers for Medicare and Medicaid Services, 2023), <https://www.medicaid.gov/federal-policy-guidance/downloads/smd23003.pdf>.

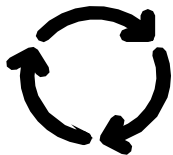
What Reentry Waivers Make Possible



Little or no support pre-release



Costly ER visits post-release



Recidivism increases from lack of long-term stable support





Medicaid switches on

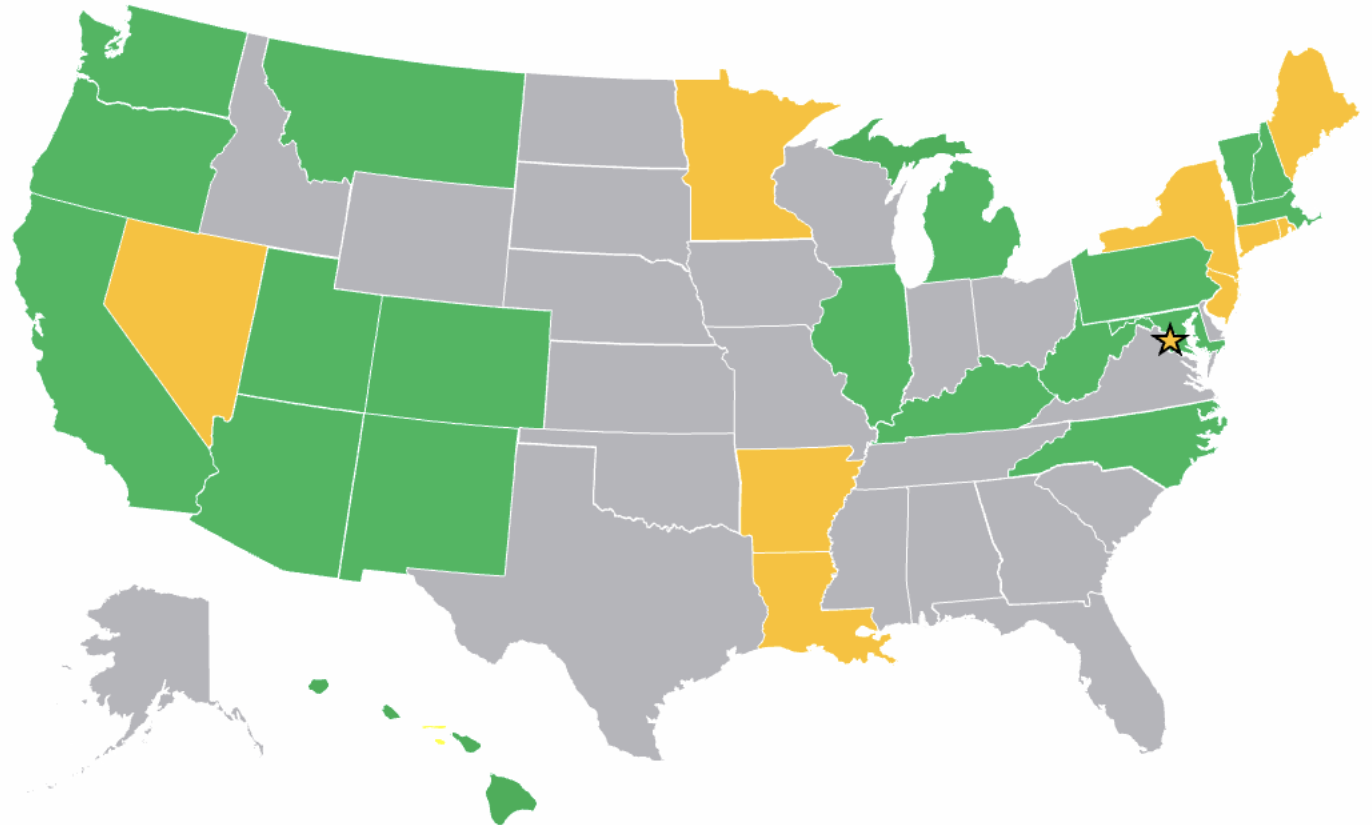


Proactive/sustainable connections pre-release

Status of Approved and Pending Reentry Waivers

 Approved (19) – AZ, CA, CO, HI, IL, KY, MD, MA, MI, MT, NH, NM, NC, OR, PA, UT, VT, WA, and WV

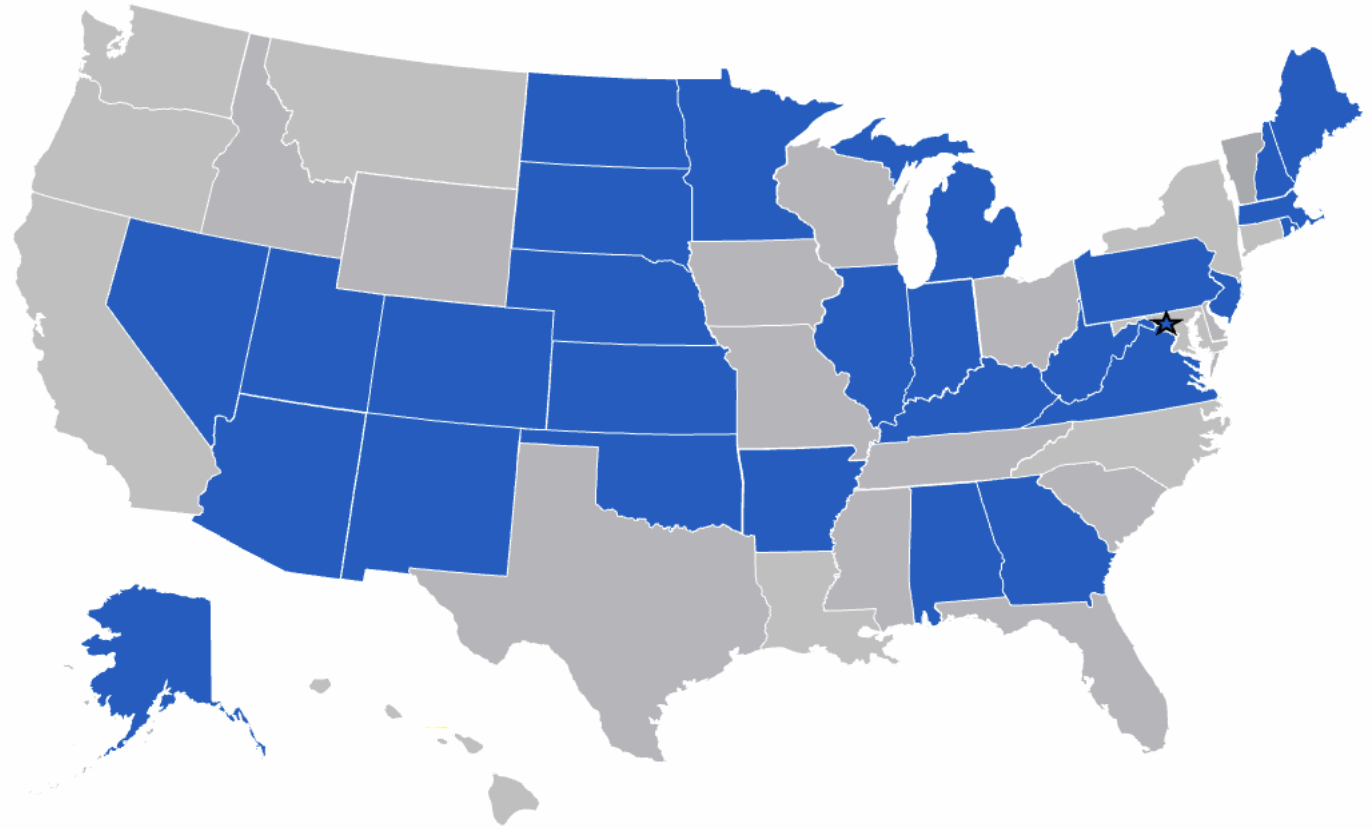
 Pending (9) – AR, CT, LA, ME, MN, NJ, NY, RI, NV, and Washington, DC



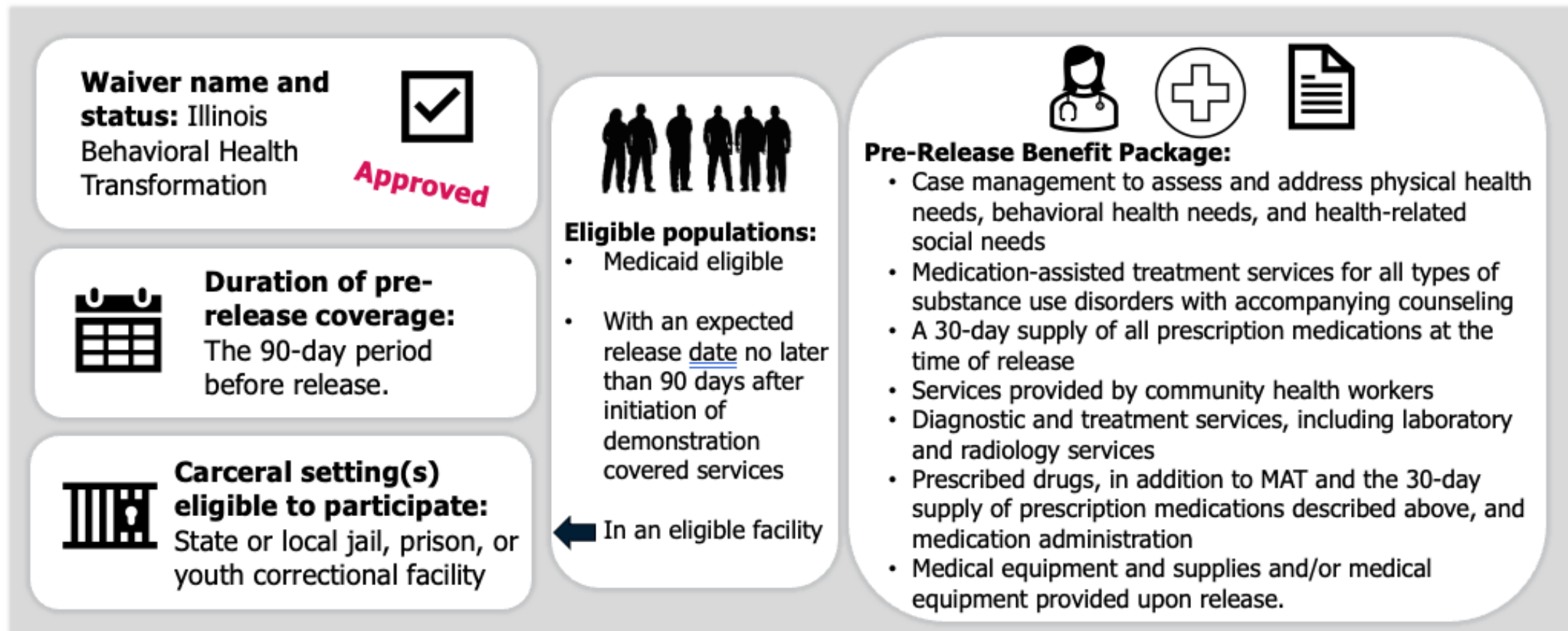
States with CMS Planning Grants



Alabama, Alaska, Arkansas, Colorado, Delaware, District of Columbia, Georgia, Illinois, Indiana, Kansas, Kentucky, Maine, Massachusetts, Michigan, Minnesota, Nebraska, New Hampshire, New Jersey, Nevada, New Mexico, North Dakota, Oklahoma, Pennsylvania, Rhode Island, South Dakota, Utah, Virginia, and West Virginia



How are states using their waiver? **Illinois Example**



Chiquita Brooks-LaSure, letter approving IL waiver (Baltimore: Centers for Medicare and Medicaid Services, 2024), <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/il-healthcare-trans-appvl-07022024.pdf>.

Legislators are already leading these efforts.



Minnesota

- Passed [S.F. No. 5335](#) (p. 87) requiring the application of a waiver and the formation of a reentry services working group.



Maine

- Passed [H.P. 764 - L.D. 1204](#), which requires the Department of Health and Human Services to apply for a waiver within 18 months.



Nevada

- Passed [AB389](#), which requires the director of the Department of Health and Human Services to apply for a waiver.

You can play a role in leveraging Medicaid to save money and improve health outcomes in your state.

- ❑ **Be a champion!**
- ❑ Exercise your **convening power** to support cross-systems planning amid coordination by connecting with your state Medicaid and corrections agency.
- ❑ Provide **budget support** to ensure state agencies have staffing support to implement these complex changes.
- ❑ **Understand your state's process for submitting a 1115 reentry waiver**, including whether state law requires legislative approval or other specific steps before submission.
- ❑ **Engage the CSG Justice Center** to provide training and technical assistance around your state's efforts to promote Medicaid and reentry.



Q&A and Open Discussion

Thank You!

Join our distribution list to receive updates and announcements:

<https://csgjusticecenter.org/resources/newsletters/>

For more information, please contact Alex Ruth at
aruth@csg.org

The presentation was developed by members of The Council of State Governments Justice Center staff. The statements made reflect the views of the authors and should not be considered the official position of The Council of State Governments Justice Center, the members of The Council of State Governments, or the funding agency supporting the work.

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Resources

- [Collaborating for Youth and Public Safety Initiative](#)
- [New Opportunities under Medicaid to Address Health Needs of Youth Leaving Correctional Facilities](#)
- [Opportunities to Leverage Medicaid to Support Young People in Adult Corrections](#)
- [CMS Planning Grant Awards](#)
- [CSG Justice Center Medicaid and Correction Policy Academy October 2024](#)

Sources for Slide 8

- “Criminal Justice DrugFacts,” National Institute on Drug Abuse, June 2020, accessed August 19, 2025, <https://nida.nih.gov/publications/drugfacts/criminal-justice>.
- “Child Welfare and Juvenile Justice System Involvement,” 2023, <https://ojp.gov/library/publications/child-welfare-and-juvenile-justice-system-involvement>.
- Laura Maruschak, Jennifer Bronson, and Mariel Alper, “Alcohol and Drug Use and Treatment Reported by Prisoners” (Washington, DC: Bureau of Justice Statistics, 2021), <https://bjs.ojp.gov/sites/g/files/xyckuh236/files/media/document/adutrpspi16st.pdf>.
- Jennifer Bronson and Marcus Berzofsky, “Indicators of Mental Health Problems Reported by Prisoners and Jail Inmates, 2011–12” (Washington, DC: Bureau of Justice Statistics, 2017), <https://bjs.ojp.gov/content/pub/pdf/imhprpji1112.pdf>.

Sources for Slide 10

- Matt McKillop, "Prison Health Care Spending Varies Dramatically by State," Pew, December 15, 2017, accessed August 19, 2025, <https://www.pew.org/en/research-and-analysis/articles/2017/12/15/prison-health-care-spending-varies-dramatically-by-state>.
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