Frequently Asked Questions (FAQs) for Reentry Section 1115 Demonstrations
September 2026

Q1. What are the goals of the reentry demonstration opportunity?
A1. The reentry demonstration opportunity aims to improve access to necessary health services prior to release for individuals who are incarcerated, improve reentry transitions and continuity of care into the community, reduce deaths and negative health outcomes post-release, and improve coordination and communication between Medicaid systems, correctional systems, and community-based providers. Reentry demonstrations are approved in close alignment with CMS's "Reentry Demonstration Opportunity" as described in State Medicaid Director Letter (SMDL) #23-003[1], released on April 17, 2023, with certain changes outlined below.

The current Administration is committed to ensuring that the reentry demonstration opportunity is grounded in both evidence and fiscal responsibility. Through evaluation review of published research, meaningful engagement with states and reentry policy stakeholders, and close collaboration with federal partners, CMS has identified targeted refinements and enhancements, related to the duration of pre-release services, transitional non-service expenditures, and post-approval deliverables that will strengthen transparency, long-term sustainability, and program integrity for newly approved reentry demonstrations. CMS expects to release more detailed information in the future about the policy changes, updated monitoring and oversight, and strengthened financial requirements to ensure transparency and robust program integrity.

Q2. What is the allowable duration of pre-release service coverage?
A2. Previous guidance in SMDL #23-003 allowed states to provide up to 90 days of pre-release coverage for all eligible beneficiaries. For future approvals, CMS has determined that up to 60 days of pre-release coverage is appropriate for individuals in prisons, and jails, or adult tribal correctional facilities. Available data demonstrate that providing access to services such as MAT in the 60 days leading up to release reduces the risk of overdose, supporting the provision of pre-release coverage for up to 60 days.[2,3,4,5,6,7] Furthermore, 60 days of pre-release coverage helps ensure that incarcerated individuals are stabilized and receive adequate case management and other pre-release services under the demonstration and is likely sufficient to test whether pre-release services improve transitions of care for individuals in adult facilities. Based on ongoing monitoring and rapid cycle reports with approved and pending states, CMS understands that it

[1] www.medicaid.gov/federal-policy-guidance/downloads/smd23003.pdf
[2] Burns, et al. (2022). Duration of Medication Treatment for Opioid-Use Disorder and Risk of Overdose among Medicaid Enrollees in Eleven States: A Retrospective Cohort Study. Addiction. https://pmc.ncbi.nlm.nih.gov/articles/PMC10683938/
[3] Volkow, N. D., & Wargo, E. M. (2018). *Overdose prevention through medical treatment of opioid use disorders*. *Annals of Internal Medicine, 169*(3), 190–192. https://doi.org/10.7326/M18-1397
[4] Au, V. Y. O., Rosic, T., Sanger, N., Hillmer, A., Chawar, C., Worster, A., Marsh, D. C., Thabane, L., & Samaan, Z. (2021). Factors associated with opioid overdose during medication-assisted treatment: How can we identify individuals at risk? *Harm Reduction Journal, 18*, Article 71. https://doi.org/10.1186/s12954-021-00521-4
[5] Hayes et al. (2026). Evaluating the optimal duration of medication treatment for opioid use disorder. Study for the Society of Addiction. https://onlinelibrary.wiley.com/doi/10.1111/add.70211
[6] Friedmann, P.D., et al. (2025). Medications for Opioid Use Disorder in County Jails—Outcomes After Release. The New England Journal of Medicine. https://www.nejm.org/doi/full/10.1056/NEJMsa2415987
[7] Martin, R.A., et al. (2022). Post-incarceration outcomes of a comprehensive statewide correctional MOUD program: a retrospective cohort study. Lancet Regional health. https://pmc.ncbi.nlm.nih.gov/articles/PMC9950664/

would be unduly burdensome to offer different lengths of pre-release coverage to individuals incarcerated in the same facility due to significant administrative complexity, and CMS's forthcoming Rapid Cycle Report findings indicate that key state and carceral stakeholders identified reducing complexity in operational and administrative burdens as a key facilitator to success. As such, CMS will approve coverage of these services for up to 60 days for individuals in jails, prisons, or adult tribal correctional facilities. CMS will continue to approve up to 90 days of pre-release services for individuals in youth correctional facilities.

Q3. Who is eligible to receive services through a reentry demonstration?

A3. States may cover a set of pre-release benefits for certain individuals who are inmates residing in a correctional facility type which may include jails, prisons, youth correctional facilities, and tribal facilities (referred to hereinafter as "correctional facility"). States may apply additional eligibility requirements based on age or qualifying health conditions, as specified in the special terms and conditions (STCs). To qualify for services covered under the demonstration approval, individuals residing in a correctional facility must be eligible for Medicaid (or be eligible for CHIP but for their incarceration status, as applicable) and have an expected release date within 60 days from jails, prisons, and adult tribal correctional facilities, and within 90 days from youth correctional facilities.

Q4. What services are provided through reentry demonstrations?

A4. The pre-release benefit package is designed to improve care transitions of incarcerated individuals while aiming to ensure that participating correctional facilities can feasibly provide all pre-release benefits to qualifying incarcerated individuals. These services promote continuity of coverage, service receipt, and quality of care, as well as the proactive identification of physical, behavioral, and other health-related needs.

CMS is authorizing states to provide coverage for at least the following services, referred to as the minimum benefit package:

- Case management to assess and address physical and behavioral health needs, and social determinants of health;
- Medication-assisted treatment (MAT) services for all types of substance use disorders (SUD) as clinically appropriate, including coverage for medications in combination with accompanying counseling/behavioral therapies; and
- A 30-day supply of all prescription medications, as clinically appropriate, that have been prescribed for the individual at the time of release, provided to the individual immediately upon release from the correctional facility, consistent with approved Medicaid or CHIP state plan coverage authority and policy.

States may also choose to cover additional services beyond this minimum benefit package. However, under no circumstances should an individual's release from incarceration be delayed or lead to increased involvement in the juvenile or adult justice systems due to a facility providing these services or related to any policies, procedures, or processes developed to support implementation of this demonstration.

Q5. What enrollment support will be made available to individuals in facilities participating in reentry demonstrations?
A5. CMS is requiring, as a condition of approval of reentry demonstrations, that states make pre-release outreach, along with eligibility and enrollment support, available to all individuals incarcerated in the correctional facilities where the pre-release coverage of demonstration services will be available.

For a Medicaid covered individual entering a correctional facility, states will not terminate Medicaid coverage, but will suspend the individual's coverage. In the case of a child or pregnant woman currently enrolled in CHIP, states cannot terminate coverage during a continuous eligibility period or at renewal solely because of their incarceration status. States may suspend CHIP coverage during periods of incarceration. For individuals not enrolled in Medicaid or CHIP upon entering a correctional facility, states will ensure the individual receives assistance with completing and submitting a Medicaid or CHIP application sufficiently prior to their anticipated release date such that the individual can receive the full duration of pre-release services, unless the individual voluntarily refuses such assistance or chooses to decline enrollment.

Q6. What other post-approval requirements apply to reentry demonstrations?
A6. States are required to submit a Reentry Initiative Implementation Plan to document how the state will operationalize coverage and provision of pre-release services. The Implementation Plan must describe the milestones and associated actions being addressed under the reentry demonstration and provide operational details regarding implementation of those demonstration policies. At a minimum, the Implementation Plan will include definitions and parameters related to the implementation of the reentry authorities, and describe the state's strategic approach for making significant improvements on the milestones and actions, as well as associated timelines for meeting them, for program policy implementation. The Implementation Plan will also outline any potential operational challenges that the state anticipates and the state's intended approach to resolving these and other challenges the state may encounter in implementing the reentry demonstration initiative. CMS will provide an updated template for the Implementation Plan for states to use. The operational plan requirement applicable to requirements of Section 5121 of the Consolidated Appropriations Act (CAA), 2023, and described in sections 1902(a)(84)(D) or 2102(d)(2) of the Social Security Act (the Act) can be satisfied by the state's Implementation Plan. The state is still required to provide coverage and otherwise meet state plan requirements with respect to any population or service specified in sections 1902(a)(84)(D) or 2102(d)(2) of the Act that is not covered under the demonstration.

States are also required to submit a Reentry Demonstration Initiative Reinvestment Plan. The reentry demonstration initiative is not intended to shift current correctional facility health care costs to the Medicaid and CHIP programs. Section 5032(b) of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act) (P.L. 115-271) makes clear that the purpose of the demonstration opportunity contemplated under that statute is "to improve care transitions for certain individuals who are soon-to-be former inmates of a public institution and who are otherwise eligible to receive medical assistance under Title XIX." Furthermore, demonstration projects under section 1115 of

the Act must be likely to promote the objectives of Titles XIX and/or XXI, which includes the inmate payment exclusion and inmate eligibility exclusion, respectively, in recognition that the correctional authority bears the costs for health care furnished to incarcerated individuals. This demonstration does not absolve correctional authorities in states of their Constitutional obligation to ensure needed health care is furnished to inmates in their custody and is not intended as a means to transfer the financial burden of that obligation from a tribal, state, or local correctional authority to the Medicaid or CHIP programs.

To the extent that the reentry demonstration initiative newly covers services that are the responsibility of and were previously provided or paid for by the correctional facility with custody of qualifying individuals, states must agree to reinvest all new federal dollars, equivalent to the amount of federal financial participation (FFP) expended for such previously existing services, into allowable justice-related activities or initiatives that increase access to or improve the quality of health care services for individuals who are incarcerated (including individuals who are soon-to-be released) or were recently released from incarceration, or for physical and behavioral health needs that may help prevent or reduce the likelihood of criminal justice system involvement. Consistent with this requirement, states must develop and submit a Reinvestment Plan to CMS that documents an estimated calculation of the amount of federal dollars states will receive over the course of the demonstration period, a detailed description of the state's plans to reinvest the required funds into allowable activities, and an assessment of the impact of reinvested funds on privately-owned or -operated carceral facilities and associated safeguards to prevent increasing profit or operating margins for such facilities. In order to ensure state accountability for this requirement, the state must submit annual progress updates on their reinvestment as part of the state's annual monitoring report. States will also be required to submit a Final Reinvestment Assessment detailing the total amount of FFP received over the demonstration period, the total amount reinvested, and the outcome of those activities.

Q7. What monitoring and evaluation activities are required for reentry demonstrations?
A7. States are required to conduct systematic monitoring and robust evaluation of the reentry demonstration initiative. An Annual Monitoring Report capturing key metrics and narrative updates will be due to CMS 180 days after the end of each demonstration year. CMS will publish the reentry demonstration reporting metrics and accompanying technical specifications to support states' Annual Monitoring Report submissions. The midpoint assessment will no longer be required. States must also conduct a Reentry Early Implementation Rapid Cycle Report to evaluate implementation planning of the demonstration, including operational progress, barriers and facilitators, program integrity, and financial oversight, and to provide timely, actionable insights to support program refinement early in the demonstration lifecycle.

States are required to incorporate the demonstration into its standard evaluation activities to support a comprehensive assessment of whether the initiatives approved under the demonstration are effective in producing the desired outcomes for the individuals and the state's overall Medicaid and CHIP program(s). Evaluation of the reentry demonstration initiative must align with the requirements detailed in the STCs, including examining impacts on Medicaid and CHIP coverage, continuity of care, access to and quality and efficiency of care, utilization of services, health outcomes, and carceral and community coordination in service provision, among others.

The state plan requirements for eligible juveniles under section 1902(a)(84)(D) of the Act for Medicaid and targeted low income children under section 2102(d)(2) of the Act for CHIP are included under this reentry demonstration initiative and must be included in applicable monitoring and evaluation activities.

Q8. How do reentry demonstrations interact with other statutory requirements?
A8. Section 5121 of the Consolidated Appropriations Act, 2023 (CAA, 2023; P.L. 117-328) amends section 1902(a)(84) of the Act and adds a new section 2102(d)(2) to describe a mandatory population of targeted low-income children in CHIP and eligible juveniles in Medicaid who are incarcerated in a public institution post adjudication of charges[8] who are to receive a set of pre-release and post-release services. Section 5122 of the CAA, 2023 amends section 1905(a) and adds new section 2110(b)(7) of the Act to give states the option to receive FFP for the full range of coverable services for eligible individuals who are incarcerated in a public institution while pending disposition of charges[9]. The requirements of section 5121 of the CAA, 2023 have a statutory effective date of January 1, 2025. Every state is required to submit a Medicaid and CHIP State Plan Amendment assuring compliance with these requirements.[10]

To the extent there is overlap between the services required to be covered under sections 1902(a)(84)(D) and 2102(d)(2) of the Act and coverage under this demonstration, CMS understands that it would be administratively burdensome for a state to identify whether each individual service is furnished to a beneficiary under the state plan or demonstration authority. Accordingly, to eliminate unnecessary administrative burden and ease implementation of statutorily required coverage and in this demonstration, CMS will approve a waiver of the otherwise mandatory state plan coverage requirements to permit the state instead to claim for at least the same pre-release services for the same beneficiaries under this demonstration.[11] This approach will ease implementation, administration, and claiming, and provide a more coherent approach to monitoring and evaluation of the state's reentry coverage under the demonstration. The state will provide pre-release coverage under the reentry demonstration initiative to eligible juveniles described in section 1902(nn) of the Act in alignment with sections 1902(a)(84)(D) and 2102(d)(2) of the Act, as applicable, at a level equal to or greater than otherwise would be covered under the state plan. Compliance and state plan submission requirements under section 5121 of the CAA, 2023 will remain unchanged. Any required services that are not provided through the demonstration during the pre-release period as well as any post-release services will continue to be covered under the state plan. Additionally, coverage of the population and benefits identified in sections 1902(a)(84)(D) and 2102(d)(2) of the Act, as applicable, will

[8] Section 1902(nn) of the Act defines "eligible juvenile" as an individual under age 21 determined eligible in any eligibility group or an individual described in section 1902(a)(10)(A)(i)(IX) of the Act (the mandatory former foster care children group, which includes former foster care children between 18 and 26 years old).
[9] For CHIP, section 2110(b)(7) creates an optional exception to the CHIP eligibility exclusion for inmates of a public institution under section 2110(b)(2)(A) so incarcerated youth who are pending disposition of charges are not excluded from the definition of targeted low-income child.
[10] SHO# 24-004, RE: Provision of Medicaid and CHIP Services to Incarcerated Youth. https://www.medicaid.gov/federal-policy-guidance/downloads/sho24004.pdf
[11] Section 5122 of the CAA, 2023 gives a state the option to cover the full breadth of otherwise-covered Medicaid and CHIP services for eligible juveniles who are incarcerated pending disposition of charges. We have not yet approved this claiming flexibility for Section 5122 services and we are not providing this claiming flexibility in this approval.

automatically revert to state plan coverage in the event that this demonstration ends or eliminates coverage of beneficiaries and/or services specified in those provisions. To effectuate this approach, CMS will add a new waiver of sections 1902(a)(84)(D) and 2102(d)(2) of the Act.