

Michigan Reentry Demonstration Monitoring Report

May 29, 2025

On December 27, 2024, Michigan received approval for its Section 1115 [Michigan Reentry Services Demonstration](#), allowing the provision of limited Medicaid coverage for a targeted set of services furnished to certain incarcerated individuals for 90 days immediately prior to the individual's expected date of release.

This quarterly monitoring report outlines the key program design, implementation, and stakeholder engagement activities that occurred between December 27, 2024 and March 31, 2025.

Implementation Progress

Michigan intends to go-live with the Reentry Services Demonstration on January 1, 2027. To support implementation planning, Michigan has engaged with partners and stakeholders across the justice system to understand the current state of facility and provider readiness and help facilitate design and operational decision-making.

To first assess the current state in order to better understand the implementation work that was needed, Michigan released a survey to its correctional facilities and conducted targeted interviews with Michigan Department of Corrections (MDOC) leadership and select county-operated jails, juvenile justice facilities, managed care plans, and community-based providers.

From December 27, 2024 through March 31, 2025, Michigan held a series of design sessions with correctional facilities and other key implementation partners to discuss the high-level implementation approach, challenges, and mitigation strategies for inclusion in the Reentry Demonstration Implementation Plan. The design sessions covered the following implementation priority areas:

- Eligibility and enrollment including data sharing processes for identifying individuals who are uninsured and require Medicaid application assistance or individuals who are already enrolled in Medicaid and for whom data sharing is required for suspension and release processes;
- Case management including the role of the pre-release case manager in conducting a needs assessment and developing a care plan and the requirements for ensuring a warm hand-off to the post-release case manager, if different;
- Other covered services (including clinical consultation, medication assisted treatment, medication administration and medications in hand upon release, physician visits, diagnostic services, and durable medical equipment and supplies in hand upon release);
- Capacity building infrastructure funding distribution approach; and
- The intersection between the CAA and the Reentry Initiative Demonstration.

Michigan finalized and submitted its Implementation Plan to CMS on April 26, 2025. The Implementation Plan also serves as Michigan's Operational Plan for implementing Section 5121 of the 2023 federal Consolidations Appropriations Act (CAA), consistent with CMS guidance. In

addition to the Implementation Plan, Michigan submitted the CAA 5121 SPA and continue ongoing negotiations with CMS to finalize both the SPA and Companion Letter. With a projected effective date of January 1, 2025.

During the first quarter of 2025, Michigan also continued to engage with its Reentry Demonstration Implementor Advisory Group (IAG), which is comprised of representatives from correctional facilities, state associations, community-based providers, managed care plans, and other implementation partners. Michigan held a quarterly meeting of the IAG on April 17, 2025 to review Michigan's Implementation Plan approach.

Upcoming Activities

In 2025, Michigan will continue advancing several key priorities to support implementation of the Reentry Services Demonstration and CAA Section 5121 requirements, including:

- Finalizing benefit design for 1115 reentry services and 5121 CAA reentry services;
- Defining its case management approach and eligible providers for the pre-release and post-release periods;
- Finalizing eligibility and enrollment processes and outlining key systems changes for the short-term and the long-term;
- Standing-up Medicaid billing and claiming processes, starting with state-run juvenile justice facilities; and
- Developing a Readiness Assessment process to prepare facilities and validate that they meet the Reentry Services Demonstration's requirements prior to going live in January 2027.

Michigan is also planning targeted stakeholder engagement activities with correctional facilities and other implementation partners to support operational planning efforts, including:

- Quarterly Implementor Advisory Group meetings (next meeting scheduled for July 2025); and
- A Reentry Initiative Policy Primer series to offer stakeholders insight into the state's reentry strategies and solicit feedback.

Progress across these activities is contingent on the Michigan Department of Health and Human Services (MDHHS) receiving Fiscal Year 2026 state budget appropriations for reentry services and capacity building funds.