Connecting Criminal Justice–Involved People with Medicaid Coverage and Services

Innovative Strategies from Arizona

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Over the past decade, states across the country have implemented innovative strategies to connect justice-involved people to Medicaid coverage and services so that they can better manage their physical and behavioral health care needs. The importance of connecting justice-involved people to health coverage and care is evident from the high rates of physical and behavioral health issues they experience. People in jails and prisons have 4 times the rate of active tuberculosis found in the general population, 9 to 10 times the rate of Hepatitis C, 8 to 9 times the rate of human immunodeficiency virus (HIV) infection, 3 times the rate of serious mental illness, and 4 times the rate of substance abuse disorders (RAND 2003). Emerging evidence also suggests that connecting justice-involved people to health coverage and care in the community can help reduce recidivism, improve access to behavioral health services (Morrisey et al. 2016), and increase the well-being and health of reentering populations (Mallik-Kane and Visher 2008). If states and localities can facilitate such links, they will be in a much stronger position to address the substance abuse issues, chronic physical and mental illness, unemployment or employment instability, and homelessness experienced by many justice-involved individuals who cycle in and out of jail or the hospital.

Arizona and several Arizona counties have implemented many strategies in recent years to connect justice-involved people with Medicaid coverage and care when they are not incarcerated and to maintain coverage continuity for Medicaid enrollees who become incarcerated. These strategies could be replicated in other states and counties around the country. This issue brief focuses on six of those strategies:

- Automated data-sharing arrangements between justice agencies and the state Medicaid agency that facilitate prompt suspension of Medicaid eligibility when someone is incarcerated and reinstatement of benefits when that person is released
- Enrollment strategies designed to ensure that Medicaid-eligible people who are released from prison or jail leave incarceration with Medicaid coverage
- Procedures that automatically enroll people who are about to be released from incarceration into the same Medicaid managed-care plan they were in before they were incarcerated to help facilitate continuity of care upon reentry into the community
- Provisions in Medicaid contracts that require Medicaid managed-care organizations to contact incarcerated persons before they are released into the community to help facilitate care coordination
- Colocation of enrollment assistance and behavioral health services at probation and parole offices
- Leveraging of federal programs and funding, including a Medicaid Section 1115 Demonstration and other health system payment and delivery reform initiatives, to address the reentering population’s health care needs

This brief supplements two other resources developed by the Urban Institute and Manatt Health (with support from the Bureau of Justice Assistance) as part of their Connecting Criminal Justice to Health Care Initiative (CCJH). Those resources are a policy guide, which outlines strategies to connect the justice-involved population to health coverage and care, and a performance management report, which helps state and local governments monitor and assess the impact of policy and system changes designed to connect the justice-involved population to health coverage and care.²

BOX 1
The Connecting Criminal Justice to Health Care Initiative

With support from the Bureau of Justice Assistance, the Urban Institute and Manatt Health partnered to create the Connecting Criminal Justice to Health Care Initiative. This project, which focuses on Maryland and Los Angeles County, California, brought together state and local corrections and health care officials from the two areas to develop and implement strategies for connecting justice-involved people with health care. State and local teams in both sites worked intensely with national experts at Urban and Manatt to develop, test, and implement innovative strategies in three areas: (1) enrolling the justice-involved population into Medicaid and other forms of health coverage, (2) establishing systems of health care tailored to meet the distinctive needs of the justice-involved population, and (3) creating sustainable financing mechanisms to support those activities. The Urban and Manatt team also helped develop performance measurement tools to monitor and assess the impact of changes.

Background

Arizona expanded Medicaid under the Affordable Care Act (ACA) to nonelderly adults with incomes up to 138 percent of the federal poverty level. Arizona’s Medicaid program, the Arizona Health Care Cost Containment System (AHCCCS), operates as an integrated mandatory managed-care model. Seventeen managed-care organizations (MCOs) offer health plans that cover most of the state’s 1.9 million Medicaid enrollees and provide both physical and behavioral health benefits.3 The Medicaid program operates through a Section 1115 Demonstration waiver, which was most recently extended by the Centers for Medicare & Medicaid Services in January 2017.4 Three Regional Behavioral Health Agencies (RBHAs) manage the full physical and behavioral health needs of AHCCCS enrollees diagnosed with serious mental illness. Arizona contains 15 counties, each of which operates its own jail system. The Arizona Department of Corrections operates the state’s prisons. Thus, AHCCCS must work with county governments and correctional facilities and the state Department of Corrections to connect justice-involved people with Medicaid coverage and services.

Before the ACA, when Medicaid provided health benefits primarily to children, pregnant women, parents of dependent children, elderly people, blind people, and people with disabilities, many states (including Arizona) had initiatives designed to connect justice-involved people to Medicaid coverage and services. Depending on their states’ eligibility rules, some justice-involved adults were eligible for Medicaid benefits under one of those categories. Although some states offered coverage to childless adults before the ACA, that coverage was limited, could not rely on additional federal funding, and

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3 This and other information about AHCCCS can be found at the program’s website. See the fact sheets and other documents available at “About the Arizona Health Care Cost Containment System (AHCCCS),” accessed December 7, 2017, https://www.azahcccs.gov/AHCCCS/AboutUs/index.html.

required a waiver from CMS under Section 1115 of the Social Security Act (Rudowitz, Artiga, and Musumeci 2014). Through the ACA, states have the option to expand Medicaid coverage to nonelderly low-income adults with comprehensive benefits, including mental health and substance use disorder services. Thus, Medicaid expansion created a significant opportunity to provide health coverage to many previously incarcerated people in states that implemented the expansion. This led many states to accelerate their efforts to link the justice-involved population to Medicaid coverage and care and to launch new initiatives to that end.

A significant challenge all states face is that federal Medicaid funds may not be used to pay for health benefits while someone is incarcerated. An exception to this “inmate exclusion” is when an incarcerated person receives inpatient care at a community medical institution, such as an acute-care hospital. Even though best practice guidelines for reentry suggest that health care coverage and services should be arranged before release, many states deny Medicaid coverage to people who would otherwise qualify if their applications are processed while they are “inmates of a public institution” (Mallik-Kane et al. 2014). Thus, Medicaid application assistance and reentry planning can be challenging for prisons and jails.

Although Medicaid cannot pay for someone’s health care benefits while incarcerated, people generally are eligible for Medicaid while incarcerated (if otherwise eligible under the state’s Medicaid program) and may apply or reapply for Medicaid before release. Many states have implemented programs to “suspend” rather than terminate Medicaid coverage when someone is incarcerated. Suspension policies streamline the process for the state to “turn on” benefits if someone receives inpatient care at a community medical institution and can facilitate reinstatement of full benefits when that person is released into the community. CMS has encouraged states to suspend rather than terminate Medicaid benefits when someone is incarcerated (Wachino 2016). As of July 2016, 31 states and the District of Columbia had implemented suspension policies.\footnote{Elizabeth Hagan, “Medicaid Suspension Policies for Incarcerated People: 50-State Map,” Families USA, last updated July 12, 2016, accessed December 7, 2017, \url{http://familiesusa.org/product/medicaid-suspension-policies-incarcerated-people-50-state-map}.} Further, many states have initiated new efforts to provide application assistance and enroll people who are about to be released from jail or prison. But coordinating the Medicaid eligibility determination process with prisons and jails often involves technological and logistical challenges.

In addition to state and county initiatives addressing Medicaid suspension, application assistance, and eligibility determination processes, some states also increased efforts to ensure that people receive the services they need immediately after their release. Scheduling medical appointments before release, care coordination, and arranging for the provision of appropriate health care services are among the strategies that some states, counties, and correctional facilities are using.

The CCJH policy guide identifies many such strategies.\footnote{Jannetta et al., Strategies for Connecting Justice-Involved Populations to Health Coverage and Care.} Arizona is not alone in pursuing them, but the state has pursued strategies that make connections between justice-involved people and Medicaid...
coverage and care (such as using well-developed data sharing systems) and has leveraged federal funding to promote those connections. This brief relies on information learned during the CCJH initiative (including discussions with state and county officials in Arizona), prior research conducted on some of these initiatives by the Urban Institute (Wishner and Mallik-Kane 2017), and many publications that have addressed one or more of Arizona’s initiatives; those publications are included in the References section of this brief.

In this brief, discussion of Arizona’s strategies to connect the justice-involved population to Medicaid coverage and care is divided into three sections: (1) how Arizona connects people to health care coverage using Medicaid enrollment strategies, (2) how Arizona connects people to health care services using coordinated care strategies, and (3) the state of Arizona’s efforts to leverage these efforts through its Section 1115 Waiver and additional federal funding for health care payment and delivery reforms.

How Arizona Connects People to Health Care Coverage: Medicaid Enrollment Strategies for the Justice-Involved Population

Automated Data Exchange between AHCCCS and Arizona Counties to Suspend and Reinstate Medicaid Enrollment

AHCCCS uses an automated data exchange system with jails and prisons to track admissions and releases in the state’s correctional facilities. It matches the data electronically to determine who is enrolled in Medicaid and automatically suspend or reinstate enrollment. The program began in 2005 as a pilot in Pima County and has since expanded to include over 90 percent of Arizona’s jail population. Most of the prisons and jails in the state participate in the data-sharing program. AHCCCS enters into a standard intergovernmental “suspense agreement” with participating counties and provides a technical guide regarding the requirements for electronic data transmissions using a standardized data transmittal format (AHCCCS 2011). Some smaller counties send Excel files securely to the Medicaid agency.

Participating jails send AHCCCS an electronic file at least daily that identifies individuals who were booked or released. The data include the detainee’s booking number, name, date of birth, gender, time of booking or release, and, if the detainee was released to another facility, the name of that facility. Social Security numbers are not transmitted. After receiving the data, AHCCCS performs an automated data match to identify whether the detainees are enrolled in Medicaid. If someone has been

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incarcerated for more than 24 hours, AHCCCS automatically suspends enrollment and notifies the reporting correctional facility that the person’s Medicaid benefits have been suspended. AHCCS also sends a daily file to the MCOs and RBHAs to inform them who has been incarcerated and placed on a “no pay” status; these people remain enrolled in Medicaid but do not receive benefits while incarcerated. AHCCCS also makes the suspension status available to Medicaid providers in the state with a notice that if a released detainee comes to an office to seek services, they should provide the services and contact AHCCCS to get the suspension lifted.

AHCCCS suspends people for up to 12 months and, if they are released within that period, automatically reinstates their benefits upon receiving notice of their release from the correctional facility. If they are incarcerated for longer than 12 months, AHCCCS terminates their enrollment.

Arizona’s data-sharing system between the Medicaid agency and correctional facilities helps the state automatically suspend Medicaid benefits upon incarceration and automatically reinstate benefits upon release, and it enables the Medicaid agency to notify MCOs and RBHAs about the status of their enrollees. It also identifies people who are not enrolled in Medicaid when they are incarcerated, thereby helping target Medicaid enrollment efforts before those people reenter the community. As discussed further in our policy guide,9 the data exchange also enables the state and correctional facilities to promote continuity of care by planning for and arranging care in anticipation of someone’s release.

**Specialized Staff to Process Prerelease Medicaid Applications**

Arizona permits incarcerated people who are not already enrolled in Medicaid to apply up to 30 days before their anticipated release. AHCCCS works with the Arizona Department of Economic Security, which makes eligibility determinations for Medicaid, to accept “prerelease” Medicaid applications from correctional facilities. Both electronic and hard-copy applications are accepted. The Department of Corrections and several counties participate in this prerelease application process, although because of limited resources they prioritize people with the greatest health care needs. Arizona allows incarcerated persons to apply for Medicaid before their release, but enrollment cannot be approved until the time of release.10 AHCCCS and the Department of Economic Security have designated staff members who work on these applications to help ensure that eligibility determinations are made and enrollment effectuated upon release. These staff members are trained to address the unique circumstances of an application submitted by someone who is currently incarcerated, such as how to follow up if information is missing from the application. Once release is confirmed through the daily data exchange, the person’s enrollment is automatically approved.

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9 Jannetta et al., *Strategies for Connecting Justice-Involved Populations to Health Coverage and Care*.

Targeted Enrollment Assistance for the Justice-Involved Population

Many states, counties, and nonprofits initiated targeted enrollment efforts for the justice-involved population when the ACA’s coverage expansions began. In Arizona, some of these efforts were initiated by counties. Maricopa County (the most populous county in Arizona), for example, placed health insurance navigators in the county’s probation assessment centers to provide enrollment assistance to people eligible for release (Ryan et al. 2016). The Maricopa County Jail provides intensive substance use disorder treatment (the ALPHA program) to people before their release. The county also provided enrollment assistance and education to ALPHA participants before their release on how to use health coverage (Ryan et al. 2016). In Pima County, the Superior Court partnered with other county agencies and a local nonprofit to help enroll people in Medicaid pending trial (Wishner and Mallik-Kane 2017).

How Arizona Connects People to Health Care: Service Provision for the Justice-Involved Population

Auto-Assignment of People into the Same Managed-Care Plan upon Release

If an incarcerated person’s Medicaid enrollment is suspended rather than terminated, AHCCCS automatically reinstates people’s enrollment upon release in the same managed-care plan in which they were enrolled before they were incarcerated. (Because Arizona terminates enrollment if someone is incarcerated more than 12 months, this only applies to people who were enrolled in a managed-care plan within the prior 12 months). Relying on the automatic data exchange, AHCCCS automatically reinstates benefits when someone is released from prison or jail and notifies the MCO that the person’s enrollment was reactivated. This notice is routinely delivered to the MCO the night of or the morning after the person’s release. This policy helps promote continuity of care by allowing people to continue receiving services through the same health plan they had before they were incarcerated.

MCOs Required to Contact People with Chronic or Complex Care Needs before They Are Released

In 2016, AHCCCS amended its managed-care contracts to require MCOs to “implement reach-in care coordination” to people who have been incarcerated for at least 30 days, have an anticipated release date, and have “physical and/or behavioral health chronic and/or complex care needs.” MCOs are now...
required to submit “reach-in plans” to AHCCCS, designate a justice system liaison responsible for the contact efforts, designate the parameters for identifying people with chronic or complex care needs, coordinate with the appropriate RBHA to coordinate physical and behavioral health needs, develop strategies to educate members on available services and how to access care through the plan, and schedule appointments with an appropriate provider based on the person’s health care needs within seven days of his or her scheduled release.\textsuperscript{14}

This care transition initiative built on years of experience developing transition plans for people with serious mental illness who were scheduled for release. The RBHAs provided liaisons who helped plan for care upon release and arrange for initial appointments (Ryan et al. 2016).

**Integrated Behavioral Health and Primary Care Services Colocated at or Near Probation and Parole Offices**

As part of its Section 1115 Demonstration, Arizona created a $300 million Targeted Investments Program to promote integrated care for people with behavioral health needs.\textsuperscript{15} As part of the Targeted Investments Program, AHCCCS is funding the colocation of integrated care clinics in or near probation and parole offices. These clinics will provide physical and behavioral health services, peer support, care management, and a variety of other social supports. This program went into effect October 1, 2017. According to the state,

> The Targeted Investments Program will provide financial incentives to participating AHCCCS registered providers to develop clinical processes for integrated care. Specifically, participants will receive incentive payments for increasing physical and behavioral health care integration and coordination for individuals with behavioral health needs. The Targeted Investments program aims to reduce fragmentation that commonly occurs between acute care and behavioral health care, increase efficiencies in service delivery for members with behavioral health needs and improve health outcomes for the affected populations.\textsuperscript{16}

Adults transitioning from the criminal justice system are a specific target population in the overall program. AHCCCS developed core components and milestones for providers who are participating in the ambulatory care program for adults transitioning from the criminal justice system.\textsuperscript{17} These include

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\[14\] The most recent contract renewal also contains the "reach-in" plan requirements. “Contract YH14-001,” pages 96–97.


connecting with probation and parole offices; providing appointments on the day of release and during visits to probation or parole offices, comprehensive care assessments, integrated care coordination, and member and family education; and linking members to community-based services.18

Health Information Exchanges to Share Medical Records between Correctional Facilities and MCOs and Their Providers

A key challenge for continuity of care when a person transitions from jail or prison back into the community is to ensure that medical records are available to the community health care providers. The data systems used to exchange admission and release records and Medicaid enrollment records are different than the electronic medical record systems. Moreover, legal restrictions on the sharing of behavioral health records can complicate the sharing of medical records. Arizona has a statewide health information exchange system in which the MCOs and some counties and correctional facilities participate.19 Except for prescriptions, however, the statewide health information exchange does not include behavioral health records. Pima County, which was an early participant in the statewide health insurance exchange, established a second justice-health data exchange that connects the RBHA with the jail and its correctional health care provider to share mental health treatment records (Wishner and Mallik-Kane 2017); Maricopa County developed electronic medical records specifically for the correctional environment and has been working to increase data exchanges (Davis and Cloud 2015).

Arizona’s Efforts to Leverage Broader Health Care Initiatives and Funding to Connect Justice-Involved People to Medicaid Coverage and Care

Arizona’s State Innovation Models Award and Health Care for Justice-Involved People

The State Innovation Models initiative provides states with funding and technical support to design and test innovative health care delivery and payment models to improve health care quality, reduce costs, and improve population health (RTI International 2014). Arizona received a $2.5 million Model Design Award from the initiative in December 2014.20 The award was used to engage a diverse group of stakeholders and develop a statewide health care innovation plan. AHCCCS led the design model planning process. The final Arizona State Health Care Innovation Plan identified three priority areas for

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18 “AHCCCS Targeted Investments Program.”


delivery reforms, including an initiative to improve health care for people transitioning from incarceration into the community (AHCCCS 2016). Thus, the SIM award enabled the state and its partners to develop plans for improving health care transitions for the justice-involved population.

**Arizona’s Targeted Investment Program and Section 1115 Waiver**

Delivery System Reform Incentive Payment programs are authorized through a Section 1115 waiver to allow states to use incentive payments to promote delivery system reforms that help improve the delivery of care to low-income people. Several states have received CMS approval to operate Delivery System Reform Incentive Payment programs. Arizona has used a similar model to develop its Targeted Investments Program (AHCCCS 2016), which provides financial incentives to providers for several initiatives, such as to provide integrated care to people reentering the community. The state has the authority under the waiver to spend $300 million on the overall Targeted Investments Program, which went into effect on October 1, 2017.

**Conclusion**

Arizona’s initiatives to connect the justice-involved population to coverage and care reflect that state and county leaders are strongly committed to these efforts, their goals are clearly articulated, many stakeholders are engaged, and available funding sources are being used. Although each strategy described in this brief and the CCJHI policy guide could be implemented individually, Arizona prioritized the health care needs of justice-involved people and decided that new approaches and delivery systems were needed to meet the unique needs of people transitioning from incarceration back into the community. As Arizona implements its Targeted Investments Program, new ideas and lessons will likely be learned as states continue to explore how best to ensure continuity of care during these significant transitions.

**Resources for More Information**

Arizona’s data-sharing system

- “Information Sharing between Medicaid and Corrections Systems to Enroll the Justice-Involved Population: Arizona and Washington” (Wishner and Mallik-Kane 2017)
- “Connecting the Justice-Involved Population to Medicaid Coverage and Care: Findings from Three States” (Ryan et al. 2016)
Arizona’s prerelease application system

- “Information Sharing between Medicaid and Corrections Systems to Enroll the Justice-Involved Population: Arizona and Washington” (Wishner and Mallik-Kane 2017)
- “Enrolling in AHCCCS and Behavioral Health Services for Individuals Releasing from the Criminal Justice System,” Arizona Health Care Cost Containment System, March 1, 2016, accessed December 8, 2017

Maricopa County and Pima County targeted enrollment efforts

- “Connecting the Justice-Involved Population to Medicaid Coverage and Care: Findings from Three States” (Ryan et al. 2016)
- “Information Sharing Between Medicaid and Corrections Systems to Enroll the Justice-Involved Population: Arizona and Washington” (Wishner and Mallik-Kane 2017)

Arizona’s in-reach efforts to coordinate care upon release

- “Connecting the Justice-Involved Population to Medicaid Coverage and Care: Findings from Three States” (Ryan et al. 2016)

Arizona’s Targeted Investment Program


Role of information technology in Arizona and other states to help improve the health of justice-involved people

- *Bridging the Gap: Improving the Health of Justice-Involved People through Information Technology* (Davis and Cloud 2015)
References


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