

Connecticut SUD Medicaid 1115 Waiver Demonstration Extension Request Public Hearing

January 09, 2026



Public Forum Information

- As a requirement of the 1115 Substance Use Disorder (SUD) Demonstration Extension, Connecticut must hold two public hearings within the 30-day public notice window to provide an opportunity for program stakeholders to give input and feedback on the Medicaid SUD 1115 Waiver including its amendments.
- Public comment received today will be recorded, documented in the meeting minutes and responses to public comment will be posted to the DSS “Connecticut SUD 1115 Waiver Demonstration” page on ct.gov, Connecticut's Official state website.
- Members of the public can also provide written comment by January 17 to Alexis.Mohammed@ct.gov.



Waiver Goals — Substance Use Disorder Program Description

- Increased rates of identification, initiation and engagement in treatment for opioid use disorder (OUD) and other SUDs;
- Increased adherence to and retention in treatment for OUD and other SUDs;
- Reductions in overdose deaths, particularly those due to opioids;
- Reduced utilization of emergency departments (EDs) and inpatient hospital settings for OUD and other SUD treatments where the utilization is preventable or medically inappropriate through improved access to other continuum of care services;
- Fewer readmissions to the same or higher level of care where readmissions are preventable or medically inappropriate for OUD and other SUDs; and
- Improved access to care for physical health conditions among beneficiaries with OUD and other SUDs.



Program Eligibility — Substance Use Disorder Program Description

This Demonstration removed Medicaid payment barriers for SUD residential and inpatient treatment, ensuring critical access for all coverage groups:

- HUSKY A — Medicaid for children, teens, parents, relative caregivers and pregnant women;
- HUSKY B — Children’s Health Insurance Program for children and teens up to age 19;
- HUSKY C — Medicaid for adults age 65 and older and adults with disabilities, including long-term services and supports and Medicaid for Employees with Disabilities;
- HUSKY D — Medicaid for low-income adults without dependent children.



Delivery System — Substance Use Disorder Program Description

This Demonstration does not change the underlying HUSKY Health program; in particular, it did not change the current fee-for-service delivery system, eligibility requirements, covered services, or cost-sharing. Connecticut's Medicaid program currently does not include any cost sharing. Connecticut's CHIP includes specified cost sharing for certain services.

The Demonstration did not change covered benefits, except that Connecticut is able to claim federal reimbursement for services to individuals with SUD residing in "Institutions for Mental Diseases" and proposes to claim for individuals in carceral facilities. DSS submitted a Medicaid State Plan Amendment (SPA) during the Demonstration period to cover residential and inpatient treatment, as well as all levels of withdrawal management (American Society of Addiction Medicine (ASAM) levels 1 WM, 2-WM, 3.1, 3.2-WM, 3.3, 3.5, 3.7, 3.7 WM, 4).



1115 Substance Use Disorder Demonstration Waiver Evaluation

- The independent evaluator for Connecticut’s SUD 1115 Waiver Demonstration is Mercer.
- Mercer calculates the CMS-required SUD Demonstration metrics following CMS technical specifications.
- The metrics run three months after the dates of services using the first of the following month for the “as of” date to have consistency and ensure the metrics are calculated based on a stable percentage of submitted claims.
- Creating the metrics in this manner allows CMS to conduct valid comparisons across all states regardless of the date.
- The dates of service for October 1, 2023 - October 31, 2023, are reported “as of” February 1, 2024; November 1, 2023 – November 30, 2023 dates of service are reported “as of” March 1, 2024; and December 1, 2023 – December 31, 2023 dates of service are reported “as of” April 1, 2024.
- The data are sent to Mercer, validated, compiled, metrics are calculated, and then the reports are written and submitted to CMS in September 2025.



Interim Evaluation — Conclusions

- The state has completed most activities in its implementation plan.
- The primary challenge remains the recruitment of new providers and expansion of existing provider capacity into new ASAM Levels of Care (LOCs).
- There has been a significant increase in utilization rates for residential, inpatient, and withdrawal management services, as well as overall admissions and lengths of stays for SUD. This has driven increases in SUD spending costs.
- The Demonstration has yet to see expected outcomes for people receiving services in terms of reductions in ED utilization and hospitalizations.
- The State has seen a statistically significant reduction in overdose deaths since the start of the Demonstration.
- Several care coordination challenges emerged in this evaluation related to transitions across different LOCs, which can be complicated due to lack of capacity and the needed LOC especially at LOC 3.1.
- Connections to primary/ambulatory care and follow-up after ED visits or hospital stays have declined under the Demonstration, underscoring the importance of improving care coordination efforts. Please note that the DSS , through the Connecticut Behavioral Health Partnership, has recently contracted with the behavioral health Administrative Services Organization (ASO) to offer proactive and targeted case management inclusive of individuals living with and recovering from SUDs effective October 1, 2025.



Interim Evaluation — Recommendations

Recommendations for the state, carried over from the midpoint assessment, include:

- Continue to work with providers to explore flex-bed options to facilitate increased capacity for level 3.1 and level 3.5 LOCs. Continue to publicize and implement the residential rate adjustments made July 1, 2025.
- Increase focus on providing early intervention and outpatient services, including more widespread screening for SUD across all age groups to avoid costs associated with higher LOCs. Continue to publicize the new Screening, Brief Intervention, and Referral to Treatment (SBIRT) coding and payment changes made July 1, 2025. Consider providing education in primary care settings for the new SBIRT coding and reimbursement.
- Build on the existing foundation of open and productive communication by increasing reporting of data regarding Demonstration outcomes and progress, particularly the monitoring metrics, to all stakeholders, including providers. Consider enhancing regular meetings with state agencies and providers to move beyond policy and procedure updates and instead focus on problem-solving discussions for metrics that are not meeting Demonstration targets.
- Enhance bi-directional, problem-focused communications with providers and ASOs around managing care transitions across LOCs when bed capacity is limited. The state should ensure that ASAM LOCs focus on individualized treatment planning and not cost-control mechanisms.
- Communicate more information to providers when provider on-site reviews find areas of concern around quality of care (e.g., insufficient daily treatment dosage received by individuals) and use those opportunities to improve individualized care.
- Consider the following options to improve retention and continuity in care:
 - A targeted case management pilot with an SUD-only population with acute treatment needs that could help the state to determine whether costs for those services might be offset by savings in reduced returns to SUD treatment after 30 days, ED utilization, transitions to higher, rather than lower LOCs, etc.
 - Creating access to recovery housing for individuals receiving ambulatory care.
 - Enhanced access to ASAM 3.1 to improve transitions to lower LOCs.



Justice-Involved Waiver

History and Background

There is a long-standing prohibition in Medicaid that precludes Medicaid reimbursement for services provided to incarcerated individuals. This is known as the “inmate exclusion.”

In January 2023, California received approval from CMS to waive the inmate exclusion rule with agreed-upon rules and procedures.

Currently, 19 states have been approved. Nine other states have Demonstrations pending.

In 2018, Congress passed the Substance Use Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act), which required the U.S. Department of Health and Human Services to guide states on how to seek 1115 demonstration authority to waive the inmate exclusion to improve care transitions to the community for incarcerated individuals.

CMS advised states to align Justice-Involved (JI) waiver applications with what has already been authorized if states want an expedited review of their applications.



Demonstration Goals — Reentry Program

Consistent with CMS' goals as outlined in the April 17, 2023, State Medicaid Directors' letter, Connecticut's specific goals for the Reentry Demonstration are 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;
- Improve access to services prior to release and improve transitions and continuity of care into the community upon release and during reentry;
- Improve coordination and communication between correctional systems, Medicaid systems, including administrative services organizations, and community-based providers;
- Increase investments in health care and related services, aimed at improving the quality of care for beneficiaries in carceral settings and in the community to maximize successful reentry post-release;
- Improve connections between carceral settings and community services upon release to address physical health and behavioral health;
- Reduce deaths in the near-term post-release; and
- Reduce the number of ED visits and inpatient hospitalizations among recently incarcerated Medicaid beneficiaries through increased receipt of preventive and routine physical and behavioral health care.



Connecticut's Waiver Application — Reentry Program

- Connecticut requested this authority, via an amendment to the SUD 1115 Demonstration Waiver, to design and implement a “Reentry Demonstration” that provides:
 - Medicaid coverage for eligible individuals in the state correctional system, including all correctional centers (jails and courthouses), and correctional institutions (prisons), and juvenile and community residential centers.
 - Eligible individuals include those with behavioral health needs, including mental health disorders and SUD, certain other health conditions, and detained youth.
 - Coverage period of up to **90 days** immediately prior to release from the correctional system.
 - An initial targeted benefit package to include case management services, medication-assisted treatment for SUD, a 30-day supply of medications upon release, and certain other supportive services being implemented in subsequent phase-ins.



Program Eligibility — Reentry Description

Youth

- All detained youth (under age 21) who are Medicaid eligible — no demonstrated health care need is required
- Former Foster Care up to age 26

Adults

- Medicaid eligible
- Meet one of the following health care need criteria:
 - Mental Illness
 - SUD
 - Chronic Conditions/Significant Clinical Condition
 - Intellectual or Developmental Disability
 - Acquired Brain Injury, including Traumatic Brain Injury
 - HIV/AIDS
 - Pregnant/Postpartum

Proposed Reentry Demonstration Services

Service Level 1: Five core services that must be operational at the start of the waiver

1. Transitional case management (pre- and post-release).
2. Medication-assisted treatment (MAT) for SUD.
3. 30-day supply of medications upon release.
4. Screening for common health conditions, such as blood pressure, diabetes, hepatitis C, and HIV.
5. Treatment for hepatitis C.

Service Level 2: Additional services to be implemented in juvenile facilities and eight adult facilities

- Physical and behavioral health clinical consultation.
- Laboratory and radiology services.
- Services by community health workers, to the extent covered under the Medicaid State Plan, including those with lived experience.
- Family planning services, including contraceptives and other birth control.
- Other services such as medications and medication administration; rehabilitative or preventive services, including those provided by community health workers; and DME.

Consolidated Appropriations Act, 2023 (CAA)

- Section 5121
 - In the 30 days prior to release, or within one week or as soon as practicable after release, screenings, diagnostic services and immunizations in accordance with the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) requirements.
 - Targeted case management services for Medicaid in the 30 days prior to release and for at least 30 days following release for Medicaid. This includes referrals to appropriate care and services in the geographic region of the home or residence for the eligible juvenile, where feasible.
- Section 5122
 - Connecticut will lift the Medicaid and CHIP eligibility exclusions for children who are incarcerated and pending disposition of charges.
 - States must ensure that all providers comply with Medicaid and CHIP provider participation and enrollment requirements.

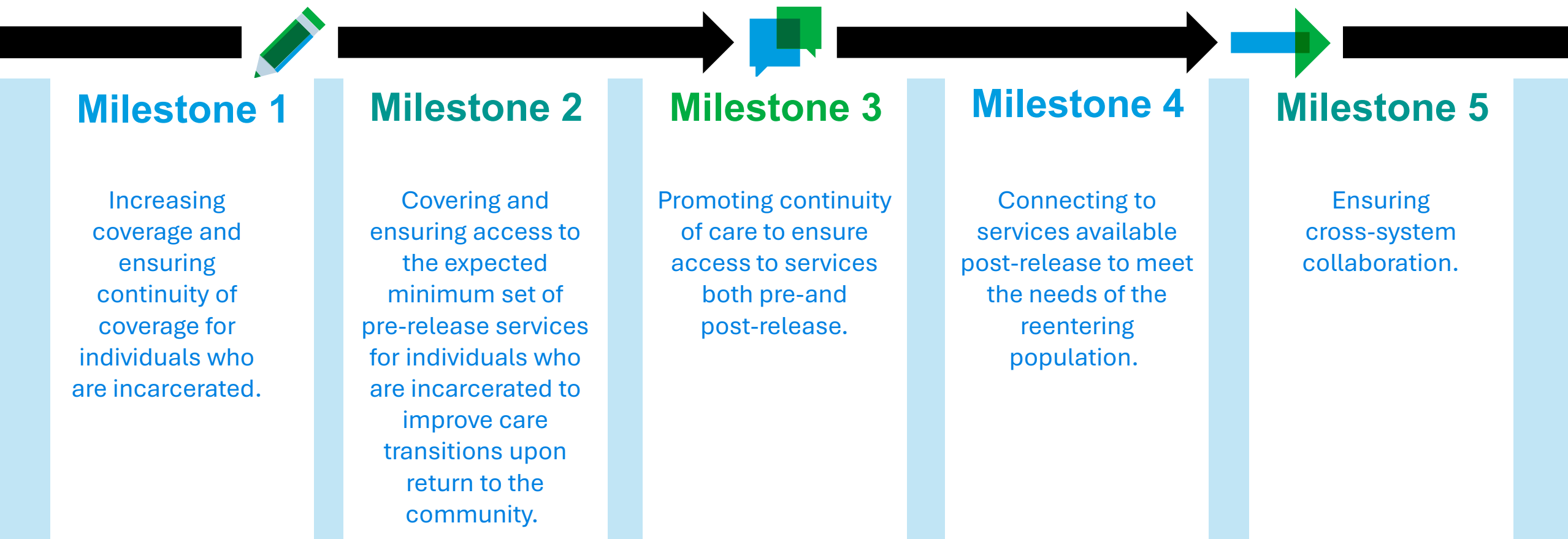


Demonstration Goals — Social Determinants of Health

- Social Determinants of Health (SDoH) conditions contribute to poor health for individuals transitioning from correctional centers (jails and courthouses), correctional institutions (prisons), and juvenile and community residential centers throughout the state, and addressing them is key to successful reentry.



CMS Reentry Milestones — Overview



The state must submit an implementation plan outlining how the 1115 will be implemented, including a reinvestment plan for new federal funding that would otherwise supplant existing state funding.

DOC Facilities

Facilities with Service Level 1 & 2 plus CAA

- Garner
- Manson YI*
- Osborn CI
- Robinson CI
- Cybulski
- York CI*

*Priority facilities for CAA

Facilities which will initially have Service Level 1 plus CAA

- Bridgeport CC
- Brooklyn CI
- Cheshire CI
- Corrigan CI
- Hartford CC
- New Haven CC
- MacDougall-Walker RC

Juvenile Judicial Facility Types

Service Levels 1 & 2 plus CAA

Secure

- Journey House (13)
- Hamden (21)
- Bridgeport Secure (17)
- Hartford Secure (17)
- Probation with Placement
- Costs while in the Facility are Under Demonstration
- Cost After Discharge (D/C) are Regular Medicaid
- Annual number of discharges are in ()

Staff Secure

- Two Unlocked Facilities:
 - REGIONS Waterbury (16)
 - REGIONS Hartford (13)
- Probation with Placement
- Costs while in the Facility are Under Demonstration
- Cost After Discharge (D/C) are Regular Medicaid

Residential

- Three Facilities:
 - Connecticut Junior Republic CJR Litchfield Adolescent Male Intermediate Residential (AMIR) – (21)
 - Community Solutions, Inc Adolescent Female Intermediate Residential – girls (12)
 - CJR Litchfield Community Diversion and Respite Center (CDRC) – boys (41)
- Traditional Probation
- Staff Secure Facilities (up to 30 or 120 days or 4–6 months)
- Costs while in the Facility are Under Demonstration
- Cost After Discharge (D/C) are Regular Medicaid



Court Lock-up Facilities

Service Levels 1 & 3

17 court lockup facilities — Service Level 1 and 3

- 8 with Treatment Pathways Programs
- 17 with Jail Re-Interview Programs
- 17 with Mental Health Jail Diversion (Phased in DY7 April 1, 2028)

Service Level 1

- Reentry Transitional Case Management (RTCM) provided in the period up to 90 days immediately prior to the expected date of release.
- MAT for all types of SUD as clinically appropriate with accompanying counseling.
- 30 days of medications on hand.
- Medications and medication administration will be provided consistent with the Medicaid State Plan.
- Screening, diagnosis, and treatment for hepatitis C consistent with Medicaid State Plan coverage for pharmacy, physician, laboratory, radiology, and hospital services.
- Screening for conditions (blood pressure, diabetes, hepatitis C, and HIV).

Service Level 3 (Mental Health Jail Diversion)

- Physical and behavioral health clinical consultation services.
- Rehabilitative or preventive services under the Medicaid State Plan.



Budget Neutrality and Reinvestment

- After three years, the Demonstration remains budget neutral which means that it is under the negotiated limit agreed to between the federal government and the State of Connecticut.
- Because of the type of Demonstration agreement, Connecticut does not accrue any federal savings under the Demonstration and must maintain levels of state spending on SUD prior to the Demonstration.
- As a condition of CMS approval of the Reentry Demonstration, Connecticut must commit to reinvesting all new federal dollars for services previously covered and paid for with state or local funds.



Public Information on the Demonstration Waiver

Information on the waiver can be found here:

- [Substance Use Disorder Demonstration Waiver](#)
- https://portal.ct.gov/dss/health-and-home-care/substance-use-disorder-demonstration-project?language=en_US
- [1115 Justice-Involved Demonstration Waiver](#)
- https://portal.ct.gov/dss/health-and-home-care/1115-justice-involved-demonstration-waiver?language=en_US
- Written comment by January 17 to Alexis.Mohammed@ct.gov



Questions

