



Consolidated Appropriations Act, Section 5121 Operational Plan Template

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On July 23, 2024, the Centers for Medicare & Medicaid Services (CMS) released a State Health Official (SHO) letter, "[Provisions of Medicaid and CHIP Services to Incarcerated Youth](#)." The SHO letter provides implementation guidance on Section 5121 of the Consolidated Appropriations Act, 2023 (CAA), which requires States to provide targeted case management (TCM) and screening and diagnostic services for children and youth who are incarcerated post-disposition and enrolled in Medicaid and the Children's Health Insurance Program (CHIP). Per the CMS guidance, states are required to complete a CAA Section 5121 Operational Plan no later than January 1, 2025. States are not required to submit their Operational Plan to CMS, unless requested. The Operational Plan must include the following:

- Actions for establishing an operational system and updating the system as needed on an ongoing basis, to perform functions such as **exchanging data with the carceral system**;
- Procedures for Medicaid and CHIP **eligibility, enrollment, applicable notifications, and claims processing**;
- Processes to ensure the **timeliest possible provision of screening and diagnostic services** if they are not able to be covered beginning 30 days prior to release;
- Policies, procedures, and processes to **ensure pre-release services do not effectuate delay of an individual's release** or lead to increased involvement in the juvenile and adult justice systems;
- New or updated **written staff-level operational policies and procedures** where workflows and processes are impacted by the new requirements;
- New or updated provider and beneficiary-level processes, procedures, policies, and systems related to **accessing services such as case management, prior authorization, linkages with managed care plans, payment, claims processing, and data analysis**, where these are impacted by the new requirements;
- **Training, education, and outreach** actions; and,
- Integration with current Medicaid and CHIP operations, such as disaster planning and **continuity of operations, hearings and appeals, beneficiary notices, record retention**, and other operational activities associated with program administration.

CMS clarified that States with approved Reentry Section 1115 Demonstrations may not need to develop a separate CAA Section 5121 Operational Plan if the scope of the Section 5121 services are covered under the approved Demonstration and the policies and operational processes for implementation are described in the Reentry Section 1115 Demonstration's Implementation Plan.

The following table summarizes the Operational Plan requirements and offers potential policy and operational design components for States to consider to be responsive to each plan requirement. The policy and operational design components are illustrative examples, not CMS requirements, and are intended to assist States in navigating the various design decisions associated with each requirement.

CMS Operational Plan Requirement	Examples of Policy and Operational Design Components
<p>1. Actions for establishing an operational system and updating the system as needed on an ongoing basis, to perform functions such as exchanging data with the carceral system.</p>	<ul style="list-style-type: none"> • <i>Inventory of correctional facilities that will be subject to Section 5121 requirements (e.g., juvenile detention facilities and adult facilities that house eligible juveniles), including estimates of the target population. (State may conduct targeted interviews with facilities to understand current State and establish ongoing partnerships.)</i> • <i>Description of State plans to phase implementation across facilities, if applicable. For example, State may first phase-in juvenile detention facilities and then phase-in adult facilities with eligible populations.</i> • <i>State plans for creating new or updating, as needed, systems to ensure data sharing between correctional facilities, the State, community-based and correctional health care providers, managed care plans, and other implementation partners. For example:</i> <ul style="list-style-type: none"> ○ <i>Bi-directional feedback for Medicaid eligibility, enrollment, and suspension;</i> ○ <i>Bi-directional feedback on incarceration status and booking and release dates;</i> ○ <i>Assignment of pre- and post-release case managers (and related assignment to a managed care plan, if applicable); and,</i> ○ <i>Provision of pre-and post-release case management, screening, and diagnostic services (via tracking claims or other service provision tracking mechanism).</i> • <i>Description of any new or amended data sharing agreements and/or memoranda of understanding.</i>
<p>2. Procedures for Medicaid and CHIP eligibility, enrollment, applicable notifications, and claims processing.</p>	<ul style="list-style-type: none"> • <i>Description of processes and systems that permit correctional facilities to:</i> <ul style="list-style-type: none"> ○ <i>Identify individuals who are already enrolled in Medicaid and CHIP upon incarceration;</i> ○ <i>Submit new Medicaid/CHIP applications to the State for those who are not enrolled, and troubleshoot applications, as needed; and,</i> ○ <i>Communicate to the State that an individual has been incarcerated and released from the facility (and/or projected release date, when known).</i> • <i>Description of processes where the State can:</i> <ul style="list-style-type: none"> ○ <i>Communicate eligibility determinations to the correctional facility and individual; and,</i> ○ <i>Communicate MCP enrollment to the correctional facility and individual, as needed.</i>

CMS Operational Plan Requirement	Examples of Policy and Operational Design Components
	<ul style="list-style-type: none"> • <i>State plans to suspend and unsuspend Medicaid and CHIP coverage.</i> • <i>Process for identifying and tracking 30-day pre-release timeframe, including suspending and reinstating Medicaid/CHIP coverage if release date changes.</i>
<p>3. Processes to ensure the timeliest possible provision of screening and diagnostic services if they are not able to be covered beginning 30 days prior to release.</p>	<ul style="list-style-type: none"> • <i>Overview of required screening and diagnostic services definitions and periodicity.</i> • <i>Description of State and facility processes to identify eligible juveniles prior to 30-day pre-release period.</i> • <i>Description of State and facility processes to ensure that screening and diagnostic services are provided in the 30 days prior to release or no later than one-week post-release.</i> <ul style="list-style-type: none"> ○ <i>Description should consider how screening and diagnostic services will be delivered and coordinated if provided in the one-week post-release.</i> ○ <i>State policy and guidance for documenting screening and diagnostic services if they occur outside of 30-day pre-release window (e.g., at intake within the same year) and cannot be billed to Medicaid.</i>
<p>4. Policies, procedures, and processes to ensure pre-release services do not effectuate delay of an individual’s release or lead to increased involvement in the juvenile and adult justice systems.</p>	<ul style="list-style-type: none"> • <i>Description of State policy guidance, training materials, and/or technical assistance directed at correctional facilities that explicitly prohibits the delay of a youth’s release as a result of the provision of pre-release services.</i> • <i>Description of warm hand-off processes to share information with managed care plans and/or community-based providers, including in situations with unexpected release dates.</i>
<p>5. New or updated written staff-level operational policies and procedures where workflows and processes are impacted by the new requirements.</p>	<ul style="list-style-type: none"> • <i>State plans to update policies and procedures for eligibility and enrollment staff, and other personnel, where workflows and processes are impacted by new requirements, such as:</i> <ul style="list-style-type: none"> ○ <i>Updating CHIP eligibility processes to suspend rather than terminate coverage for incarcerated youth;</i> ○ <i>Coordinating with correctional facilities to conduct CHIP eligibility; determinations for incarcerated youth who have remained incarcerated for 12 months since their last redetermination; and,</i> ○ <i>Identifying appropriate eligibility and enrollment staff to complete new Medicaid/CHIP eligibility and enrollment activities, including identifying potentially eligible juvenile, and submitting and troubleshooting applications, as well as required timeframes for completing activities.</i>

CMS Operational Plan Requirement	Examples of Policy and Operational Design Components
	<ul style="list-style-type: none"> • <i>State plans to update policies and procedures for clinical staff, and other personnel, where workflows and processes are impacted by new requirements, such as:</i> <ul style="list-style-type: none"> ○ <i>Identifying provider workforce (e.g., embedded correctional health care providers, in-reach providers, or a centralized provider that will work across facilities);</i> ○ <i>Identifying appropriate clinical staff who will provide and/or support provision of screening, diagnostic services, and pre- and post-release case management; and,</i> ○ <i>Ensuring appropriate Medicaid provider enrollment and billing and claiming.</i>
<p>6. New or updated provider and beneficiary-level processes, procedures, policies, and systems related to accessing services such as case management, prior authorization, linkages with managed care plans, payment, claims processing, and data analysis, where these are impacted by the new requirements.</p>	<ul style="list-style-type: none"> • <i>Description of the scope of screening, diagnostic, and pre-and post-release case management services for Medicaid and CHIP and qualified providers who can deliver the services.</i> • <i>Description of any State policy or clinical guidance that will be released by the State which includes allowable billable codes and defining eligible providers. Description should also include any IT systems changes needed to effectuate payment of CAA services.</i> • <i>Description of legal authority for providing screening, diagnostic, and pre- and post-release case management and whether any new or amended Medicaid or CHIP State Plan, new or amended Targeted Case Management State plan, managed care contract, or other legal authority is being pursued.</i> • <i>Description of the delivery system and whether services will be provided via fee-for-service, managed care, or combination.</i> • <i>Description of the State’s efforts to enforce compliance with Section 5121 requirements, including agreements with correctional facilities (e.g., MOUs, inter-agency agreements), ongoing monitoring processes, and corrective action plan process for correctional facilities not meeting expectations.</i> • <i>If State plans to use managed care delivery system, include timeline for:</i> <ul style="list-style-type: none"> ○ <i>Developing or updating capitated rates, if needed;</i> ○ <i>Amending contracts; ensuring correctional health care service providers are credentials with participating MCPs, if required; and</i> ○ <i>Overview of alternative mechanism for ensuring services are provided for exempt/excluded populations (e.g., American Indian/Alaska Native, foster care youth).</i>

CMS Operational Plan Requirement	Examples of Policy and Operational Design Components
<p>7. Training, education, and outreach actions.</p>	<ul style="list-style-type: none"> • <i>Description of State’s efforts to conduct outreach to and facilitate on-going engagement with correctional facilities who are required to provide Section 5121 services, including cadence of site visits or remote meetings.</i> • <i>Description of State’s efforts to provide technical assistance support to correctional facilities on various operational components such as:</i> <ul style="list-style-type: none"> ○ <i>Best practices for eligibility/enrollment processes and provision of pre-release services;</i> ○ <i>Description of State’s Medicaid provider enrollment pathways and technical assistance to correctional facilities;</i> ○ <i>Expectations for compliance with 5121 requirements including monitoring and oversight processes;</i> ○ <i>Description of where correctional facility providers can go for billing/claiming information, including relevant CPT codes; and,</i> ○ <i>Requirements to ensure services are delivered in a culturally competent way and are and trauma-informed.</i> • <i>Description of communication and engagement with external stakeholders, including, but not limited to, community-based providers, managed care plans, and people with lived experience regarding Section 5121 requirements and operational approach.</i>
<p>8. Integration with current Medicaid and CHIP operations, such as disaster planning and continuity of operations, hearings and appeals, beneficiary notices, record retention, and other operational activities associated with program administration.</p>	<ul style="list-style-type: none"> • <i>Confirmation that delivery of pre-release services will be integrated with current Medicaid and CHIP operations, including the requirements for providers to enroll in Medicaid/CHIP, record retention policies and disaster planning, and other aspects of program administration.</i> • <i>Description of how the State will ensure youth who are found eligible for Medicaid/CHIP will be afforded the same Medicaid rights as all other enrollees including those related to annual renewals, eligibility determination notices, Medicaid benefits card or ID number, Medicaid-related consumer materials (e.g., managed care welcome packet) and the right to a fair hearing.</i> • <i>Description of any specialized processes the State will set up to support Medicaid and CHIP operations (e.g., specialized enrollment staff, specific reentry focused provider portal).</i>