

February 5, 2025

Jeff Wu
Acting Administrator
Centers for Medicare and Medicaid Services
U.S. Department of Health and Human Services
7500 Security Boulevard
Baltimore, MD 21244-1850

Submitted electronically via Medicaid.gov

Re: Colorado’s “Expanding the Substance Use Disorder (SUD) Continuum of Care” 1115 Medicaid Demonstration Extension Request

Dear Acting Administrator Wu:

On behalf of Families USA, thank you for the opportunity to comment on Colorado’s proposed 1115 Medicaid Demonstration Extension Request.

Families USA is a leading national, non-partisan voice for health care consumers, dedicated to achieving high-quality, affordable health care and improved health for all, including the 1.2 million Coloradans that rely on Medicaid for their health care coverage. **Families USA strongly supports multiple aspects of the waiver application, including continuous eligibility for children zero to three years old, 12 months of continuous eligibility for individuals leaving incarceration, and housing and nutrition supports. Our detailed comments focus specifically on the proposed reentry initiative and its potential to positively impact the health of over 31,000 incarcerated Coloradans.ⁱ**

The Reentry Initiative

Under its proposal to extend an existing demonstration waiver focused on substance use disorders and long-term services and supports, Colorado proposes to include a “Reentry Initiative,” which would allow Colorado’s Medicaid and Children’s Health Insurance Program (CHIP) to secure federal financial participation for incarcerated adults and youth transitioning from correctional facilities 90 days prior to their release. In addition, Colorado’s proposal calls for the provision of a tailored benefit package designed specifically for the incarcerated population prior to release, including case management, physical and behavioral health clinical screenings, a 30-day supply of prescription medications upon release, and medication-assisted treatment for all FDA-approved medications.

Families USA strongly urges CMS to approve Colorado’s waiver application that extends Medicaid and Child Health Plan Plus (CHP+) coverage to eligible incarcerated adults and youth 90 days prior to their transition back to the community.

Background: health care needs for incarcerated populations

When Medicaid-enrolled Colorado residents become incarcerated, their usual access to Medicaid coverage is suspended following what is known as the “inmate exclusion,” a general policy that limits Medicaid coverage for incarcerated individuals to coverage for inpatient stays at a hospital or other medical institution.ⁱⁱ

While this exclusion does not prevent inmates from receiving basic medical services within a correctional setting, inmates typically cannot access the breadth of services needed to address their complex health needs.ⁱⁱⁱ An estimated 80% of incarcerated people have serious mental illness, substance use disorders, and chronic health issues (including conditions like hypertension, Hepatitis C, tuberculosis, and HIV/AIDS), a level of need substantially higher than the general population.^{iv,v} Because most correctional facilities are under-resourced and ill-equipped to address chronic health needs among their population,^{vi} when individuals eventually transition back to the community they often have poor health status and, resultantly, contribute to high health care costs (including higher rates of hospitalization and emergency department utilization).^{vii,viii,ix}

While some states terminate Medicaid coverage altogether for their incarcerated population, Colorado has a policy to suspend coverage, making the process of reinstating Medicaid coverage upon release much simpler. This is important for the estimated 62-81% of people released from Colorado's carceral settings who are eligible for Medicaid.^x

While securing access to Medicaid at reentry is important, this is often too late for people with significant and neglected chronic health needs because they leave carceral settings without established connections to the health care system. This results in significant impacts on their health and well-being. For example, in the first two weeks following release from incarceration, individuals are ***129 times more likely to die from an overdose*** than their peers in the community,^{xi} indicating the grave consequences of letting inmates in need leave carceral settings without secure linkages to care. Following release, former inmates have difficulty obtaining treatments and medications they need to address other chronic conditions (for example, heart medications or treatment for mental health), which can contribute to post-release morbidity and mortality^{xii} and higher costs for the healthcare system when people report to the emergency department for conditions that can and should be addressed in primary care settings.^{xiii,xiv}

Importance of Medicaid reentry initiatives: positive impact on health, economic earnings and state budgets

1. Prisons, jails and youth correctional facilities need additional tools to prepare inmates for reentry. Enrolling inmates in Medicaid *prior to* reentry is a simple and cost-effective way to ensure inmates are receiving active treatment for their chronic health needs and have a connection to a provider and a plan in place for continuing treatment once they transition to the community.

Research consistently shows the significant and positive impact that pre-release Medicaid enrollment has on health outcomes, recidivism rates, and economic stability. Studies indicate that individuals who are enrolled in Medicaid prior to release have reduced risk of adverse health outcomes, including overdose and suicide. Additionally, pre-enrollment and care coordination have been shown to reduce recidivism by as much as 16% within the first six months.^{xv,xvi}

Beyond improving individual health outcomes, pre-enrollment in Medicaid prior to release benefits states and local governments by reducing administrative budget demands and increasing efficiency. Arizona's 2015 implementation of a program to enroll inmates in Medicaid prior to release led to \$30 million in savings, highlighting the potential economic impact for Colorado.^{xvii} Additionally, pre-release Medicaid enrollment contributes to greater economic stability for individuals and their families: research shows these programs increase the likelihood that formerly incarcerated people are employed by 25% and increases quarterly incomes by almost \$200.^{xviii}

In a time when state budgets are under pressure and individuals and families are seeking economic relief, CMS must encourage programs that improve government efficiencies.

Colorado's Waiver Proposal would benefit incarcerated individuals and their families, communities, and federal and state budgets alike

Colorado's reentry initiative is crucial in addressing the unique health needs of individuals involved in the criminal justice system, particularly during the critical pre-release period. By ensuring timely access to Medicaid, the program promotes appropriate health care utilization and enhances coordination between correctional facilities, Medicaid agencies, managed care organizations and local health care providers. By screening inmates for health needs prior to release and providing them with medication and linkages to care, the Reentry Initiative offers inmates the tools they need to stay well as they readjust to living in the community. This collaborative approach is vital in improving health outcomes and reducing long-term costs.^{xix}

Colorado's proposed waiver does not place an undue financial burden on state finances. Instead, it offers a financially advantageous opportunity for both Colorado and the federal government. Colorado plans to reinvest federal matching funds into activities that improve access to care and address both physical and behavioral health needs for incarcerated individuals and those soon to be released.

The benefits of the Reentry Initiative are clear: improved health outcomes, reduced recidivism, enhanced economic opportunities for formerly incarcerated individuals, and reduced administrative burden for states. For these many reasons, Families USA strongly urges CMS to approve Colorado's waiver and allow 90-day pre-release coverage for adults and youth transitioning from correctional facilities.

For questions or comments regarding the recommendations in this letter, please contact Mary-Beth Malcarney, Senior Advisor on Medicaid Policy, Families USA at: mmalcarney@familiesusa.org.

Thank you for your time and consideration.

Sincerely,



Sophia Tripoli
Senior Director of Health Policy

ⁱ KFF. (2025, August 1). Medicaid in Colorado. <https://files.kff.org/attachment/fact-sheet-medicaid-state-co>

ⁱⁱ Subparagraph (A) in the matter after section 1905(a)(30) of the Social Security Act. https://www.ssa.gov/OP_Home/ssact/title19/1905.htm

ⁱⁱⁱ Fiscella, K., Beletsky, L., & Wakeman, S. E. (2017, March). *The inmate exception and Reform of Correctional Health Care*. American journal of public health. <https://pmc.ncbi.nlm.nih.gov/articles/PMC5296706/#:~:text=This%20explicit%20exclusion%2C%20com%20only%20referred,and%20external%20quality%20oversight%20mandates.>

^{iv} Health Care Transitions for individuals returning to ... - ASPE. (2023). <https://aspe.hhs.gov/sites/default/files/documents/d48e8a9fdd499029542f0a30aa78bfd1/health-care-reentry-transitions.pdf><https://aspe.hhs.gov/sites/default/files/documents/d48e8a9fdd499029542f0a30aa78bfd1/health-care-reentry-transitions.pdf>

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- ^x Thomas-Henkel, C. (2023, October 19). *Federal Authority to Support Health- Related Reentry Services for Incarcerated Populations*. HCPF Colorado. https://hcpf.colorado.gov/sites/hcpf/files/Federal%20Services%20for%20Incarcerated%20Populations%20OSB%2022-196-B_0.pdf
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- ^{xii} ASPE, 2023
- ^{xiii} [Urban](#) Institute, 2008
- ^{xiv} McConville, S., Mooney, A. C., Williams, B. A., & Hsia, R. Y. (2018). How do ED patients with criminal justice contact compare with other ED users? A retrospective analysis of ED visits in California. *BMJ open*, 8(6), e020897. <https://doi.org/10.1136/bmjopen-2017-020897/>
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- ^{xviii} [Burns](#) and Dague, 2023
- ^{xix} Polis, J. (2024, December 23). *CO Section 1115 Demonstration Extension*. Medicaid.gov. <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/co-continuum-care-pa-12232024.pdf>