

January 29, 2026

Medicaid for Justice-Involved Youth Transitions to the Community

Draft Chapter for March 2026 Report to Congress

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Medicaid and CHIP Payment and Access Commission

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Overview

- Introduction
- Background
 - Youth in the juvenile justice system
 - Federal Medicaid policies for justice-involved individuals
- Selected state implementation of federal Medicaid policies
 - Suspending Medicaid coverage
 - Implementing pre- and post-release services
- Coordinating across systems
- Complexities of serving youth
- Next steps



Introduction

- The transition from incarceration to the community is a critical period for justice-involved youth (JIY)—who are young people who have had contact with the criminal justice system, such as through arrest, incarceration, or probation.
- While Medicaid has historically been limited in the care of incarcerated youth, recent federal policy has shifted to:
 - Allow states more flexibility to provide Medicaid services to JIY
 - Improve care transitions for reentry into the community
- Stakeholders have made progress implementing new policy requirements while navigating challenges
- Since state implementation is still in early stages, how these efforts address access and support transitions is not yet known

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Background

Demographics and Unmet Health Needs of Youth in the Juvenile Justice System

- Nationally, there were about 29,300 youth held in correctional facilities in 2023
 - JIY are predominantly male and older youth (age 15 and above)
- Youth of color, low-income and LGBTQ are overrepresented in the system
- JIY have significant physical and behavioral health conditions, with research citing:
 - The need for routine care and management of chronic conditions
 - The prevalence of mental health and substance use issues
 - Multiple studies estimate that about 70 percent of JIY have a mental health condition
 - The Bureau of Justice Statistics found that about 60 percent of youth in facilities from 2008 – 2018 may have had a substance use disorder

Federal Medicaid Policy for JIY

- SUPPORT Act (P.L. 115-271)
 - Specified that states should not terminate Medicaid eligibility for eligible youth who are incarcerated, but suspend coverage during confinement
 - Directed the Department of Health and Human Services, through the Centers for Medicare and Medicaid Services (CMS), to issue guidance on section 1115 demonstration opportunities to improve care transitions after incarceration
- Consolidated Appropriations Act, 2023 (CAA 2023, P.L. 117-328)
 - Required states to provide certain screenings and diagnostic services to eligible youth 30 days prior to release
 - Required states to provide targeted case management services 30 days prior to release and for at least 30 days after release
 - Provided states with the option to provide Medicaid covered services to eligible youth held prior to adjudication

Implementation of Medicaid Policy for JIY

Selected State Efforts to Support Youth Transitions

SUPPORT Act Implementation

Suspending Medicaid coverage

- States' past experiences suspending Medicaid for incarcerated populations informed suspension processes for youth
- States reported variation in the use of automated versus manual suspension processes
 - Manual suspension requires weekly file exchange between the state juvenile justice agency (or facilities) and Medicaid
 - States reported using a combination of automated and manual processes
 - Continued state efforts to increase automation

SUPPORT Act Implementation

Challenges with suspension

- Complexity of suspension processes due to different authorizing environments for adults and juvenile corrections
 - Necessitates navigating different eligibility systems to enable suspensions for JIY
- Reinstatement of Medicaid coverage is complicated by unpredictable release dates
 - This occurs particularly in jails where stays are shorter and more variable
- Difficulty engaging correctional facilities in suspension efforts
 - Some states reported receiving little information or partnership from facilities at the county or local level

CAA 2023 Implementation

Pre- and post-release services for JIY

- States reported working with CMS to implement services for JIY
- Implementation reflects unique state circumstances
 - Incremental implementation of services for youth
 - Service provision through Section 1115 demonstrations
 - Screening youth at intake instead of before release
- States are leveraging managed care to comply with service requirements and better serve youth
 - Managed care facilitates continuity and includes targeted case management benefit
 - Managed care organizations include “justice liaison” position that helps youth and care coordinator prepare for discharge

CAA 2023 Implementation

Challenges with implementing services

- Enrolling correctional providers as Medicaid providers
 - New learning for correctional providers on program requirements
- Establishing billing processes amid technical limitations
 - Many juvenile justice facilities lack technology and infrastructure to bill for services
- Supporting new role for correctional facilities to comply with CAA 2023 requirements
 - State development of guidelines on billing and benefits for correctional providers
 - State retention of third party administrator to provide technical assistance for correctional providers

Coordination is Key to Implementing New Requirements for JIY

Multiple system involvement to transition JIY

- Focus on building interagency relationships
 - Some states have longstanding connections between Medicaid and correctional agencies due to past state initiatives
 - Development of new connections with entities that administer juvenile justice in the state to achieve buy-in
- Ongoing connections between Medicaid and correctional staff
 - Regular touchpoints to establish new processes and support new correctional role

Coordination Challenges

Amid collaboration, states cited complexities of forging new connections

- Inability to engage all correctional facilities, particularly at the local level
 - Within states, jurisdictions vary in their participation or priority given to coordination efforts
 - As a result, Medicaid interviewees were concerned that some eligible JIY are not receiving pre-release services as required
- Barriers to sharing data to facilitate youth's transition
 - Technical complexity of consolidating data from multiple correctional facilities
 - Use of paper versus electronic medical records in correctional facilities
 - Resources to update eligibility systems for increased communication

Complexities of Serving JIY

- Correctional staffing recruitment and retention
- Co-occurring conditions and significant behavioral health needs
- Availability of Medicaid-enrolled providers
- Placement changes can delay access, create fragmented care
- Family engagement in shared health decision making

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Next Steps

Next Steps

- Commissioner feedback on draft chapter
 - Does the chapter strike the right tone?
 - Are there areas that could use further clarification?
 - Does the chapter highlight the key findings?
- Chapter to be published in March 2026

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