



# Medicaid Payments for Community Hospitalization of Incarcerated Offenders



## Federal Medicaid Policy for Inmate Coverage

- On January 23, 1998, CMS issued Medicaid Letter Number 98-03 to clarify Medicaid coverage policy for inmates of a public institution.
  - An exception to the SSA prohibition of FFP is permitted when an inmate becomes a patient in a medical institution for 24 or more hours.
  - Inmate may be eligible if existing Medicaid eligibility criteria are met
    - In Virginia, covered groups include pregnant women, children, and the aged, blind or disabled.



## Item 388J of the 2013 Appropriations Act

- The 2013 General Assembly established a mandate for Medicaid to begin inpatient coverage for DOC inmates effective July 2013 (local and regional facilities were not included).
  - Funds from the DOC budget were reallocated to DMAS to offset the cost of medical services and draw down federal matching funds.
- Since this date, there have been 500-600 inmate applications for Medicaid from DOC for coverage of hospitalizations.
- In addition, there is a process currently in place to transition inmates into Medicaid, if eligible, upon release.



## Process for Medicaid enrollment and inpatient coverage

- Inmate is admitted to hospital.
- At discharge, DOC staff member enters as much information as is available onto the Medicaid application, then forwards to the facility where the inmate is incarcerated.
  - Hospital bills Anthem, as DOC has an ASO contract for processing and payment of claims.



## Process for Medicaid enrollment and inpatient coverage

- The facility completes entering information onto the application, as necessary, and obtains the inmate's signature, if possible.
- The application is returned to DOC for review and submission to one of four local agencies: Richmond City for VCU, Albemarle County for UVA, Southampton and Greenville/Emporia handle all others.
  - There are designated staff at each local agency who process DOC applications.



## Process for Medicaid enrollment and inpatient coverage

- In the future, if local and regional jails are able to participate, other local departments of social services may be required to participate in processing Medicaid applications for inmates whose last physical address was within the locality.
  - Local and regional facilities would need to designate staff to handle the administration and coordination processes.
- If initiated, this would cause a state fiscal impact so funding would be needed.

## Process for Medicaid enrollment and inpatient coverage

- The local agency receives the application and processes it in a timely manner, entering the enrollment into the MMIS for a closed period of coverage for that hospitalization.
- DOC submits request for service authorization approval from KEPRO, which will be included with claim.
- Claims are subsequently submitted to DMAS by the DOC and they are processed for payment to the facilities.
  - Anthem thereafter rescinds its payment to the hospital.

## Process for Medicaid enrollment and inpatient coverage

- All successive admissions during the first 12 months of the initial approved application do not require new Medicaid applications
  - Should the inmate have another inpatient hospital stay, the case can be reopened for another closed period of coverage for the additional hospitalization.
  - DOC has a form that is sent to the local agency for the period of hospitalization.



## Process for Medicaid enrollment and inpatient coverage

- The reopened case can be billed directly to DMAS by the hospital.
- A new application must be filed if another hospitalization occurs after 12 months.
- With completion of information systems work, the individual cases will be able to be left open and subsequent hospitalizations will not require reopening of cases and entry into MMIS of closed periods of coverage.



## Process for Medicaid enrollment and inpatient coverage

- The process works with DOC because of close coordination with institutions and local agencies.
- Dedicated staff to support this process is integral to its success.
- The same level of coordination and commitment would be necessary if regional and local jails were to participate.



## Pre-release process for Medicaid enrollment

- Applications are prepared and filed 45-90 days in advance of inmate discharge (90 days if disability determination is anticipated).
  - The local agency must forward necessary documentation to DDS for disability determination.
  - The local agency must initiate screening process if LTC services are anticipated.



## Pre-release process for Medicaid enrollment

- The local agency processes the application up to the determination decision, awaiting notification by DOC of actual discharge.
  - Should there be a change in inmate status (e.g., extended incarceration due to infraction), DOC contacts the agency and the agency denies the application.



## Pre-release process for Medicaid enrollment

- In the future, a plan is needed to enable the individual to be moved from the new DOC category into an ongoing Medicaid covered group, when eligible, to generate ID and send notice; therefore, need accurate mailing address to send ID, plus Zip is important to enable MCO choices.



# QUESTIONS?

