



FOLLOW UP ON SUSPENSION OF MEDICAID FOR INCARCERATED INDIVIDUALS

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE
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ISSUE BRIEF

OCTOBER 2017 INTERIM DISCUSSION

In the October 2017 interim meeting, the Social Services Appropriations Subcommittee heard comments from the Department of Health (DOH) and the Department of Workforce Services (DWS) on the challenges facing incarcerated individuals to rapidly regain Medicaid benefits once these individuals are released from jail or prison. Currently, state policy is to terminate benefits for individuals who were Medicaid-enrolled once DWS becomes aware of the individual's incarceration. Temporary incarceration (or incarceration for fewer than 30 days) typically would not lead to termination of Medicaid-enrolled status. Frequently, when individual is released, they will be uninsured for a period of time while re-applying for Medicaid. Loss of insurance coverage for this period of time may be detrimental to those with health concerns or in a process of addiction recovery.

During the previous interim meeting, two main issues were raised as challenges to a smooth transition from incarceration to Medicaid for eligible individuals. The first issue discussed was a challenge of data; the county jail system currently has no database of individuals with which DWS's Eligibility Services Division can interface. Without a database in place, it is difficult for DWS to know when a former Medicaid-enrolled individual is being released from jail and may wish to re-apply for Medicaid. The second issue involves changes to the household circumstances of the individual, which may require a lengthy Medicaid re-application process.

Several potential solutions to these issues were explored during the interim meeting. DOH, with input from DWS Eligibility Services Division (ESD) has evaluated the benefits and costs of three different options, detailed below. This evaluation represents a high level overview of the options discussed during the October 2017 interim meeting to minimize the impact of incarceration on Medicaid eligibility. DOH recommends that any solution should be uniform and statewide. Some of these options may require additional appropriations for successful implementation.

OPTION #1: EXPANDED DWS CASE MANAGEMENT

One option to help smooth the transition for individuals from incarceration to Medicaid enrollment would be to increase DWS Eligibility Services case management for these individuals. Currently, DWS has one employee assigned to accept and process Medicaid applications for individuals coming out of incarceration. Under this option, the individual's Medicaid case would still close at the time of incarceration. However, incarcerated individual would get additional help form eligibility experts completing the application process to reopen their Medicaid eligibility.

What additional steps are needed to implement this change?

- There would be no need for changes to statute or rule, or a waiver or state plan amendment
- This option requires sufficient staff intensive to perform these functions and will likely require an appropriation to DWS for additional FTEs

What are the pros and cons for this option, from an agency's standpoint?

- Pros:
 - Reopening the individual's Medicaid case should generally take less time
- Cons:
 - Medicaid eligibility case would still close when DWS becomes aware of the individual's incarceration.

What are the approximate fiscal impacts of this policy?

- Unknown at this time.
- Staff intensive outreach to correctional facilities will likely require an appropriation to DWS for additional FTEs

OPTION #2: APPLY PRESUMPTIVE MEDICAID ELIGIBILITY TO RECENTLY-RELEASED INDIVIDUALS

A second option is presumptive eligibility (PE), which would permit those transitioning out of corrective facilities to immediately receive Medicaid coverage and benefits while the individual's application was being processed. Currently, PE only applies to individuals in the coverage groups recognized under 1920, 1920 A, 1920 B, and 1920 C of the Social Security Act, which include pregnant women, parent caretaker relative, former foster care, children and individuals with certain breast and cervical cancers. Adults without dependents are not currently able to be enrolled under presumptive eligibility.

By applying PE, the individual's Medicaid eligibility case would close when DWS became aware of the person's incarceration. Prior to an individual's release from incarceration, the correctional facility would complete an abbreviated application for Medical Assistance and send it to DWS. Based on the limited information received DWS would make a presumptive eligibility decision. Upon release the individual would be eligible for at least 30 days. During that time the individual would be required to complete the standard application process. If DWS determines the individual is truly eligible for Medicaid, the case will remain opened and the correct program type will be applied back to the date of application. If the individual is determined not to be eligible for Medicaid the case is close at the end of the month

What steps would need to be taken in order to implement this change?

- It is likely an 1115 waiver would be required to provide presumptive eligibility for incarcerated individuals who do not fall in one of the eligibility group noted above

What are the pros and cons for this policy, from an agency's standpoint?

- Pros:
 - Expedites eligibility determination
- Cons:
 - No additional DWS case management
 - The state pays for medical services for a period of time even if the individual is determined not to be eligible for Medicaid
 - No ability to recoup the funds spent for those who were determined not to be truly eligible for Medicaid
 - Additional regulatory burden to calculate and adjudicate overpayments

What are the approximate fiscal impacts of this policy?

- Exact cost is unknown at this time.
- The state will incur additional costs by covering services for individuals who are ultimately determined not to be eligible for Medicaid.
- Costs will be incurred to modify eRep, MMIS, MMCS and PRISM systems to support this option
- Costs will be incurred for additional resources to DWS for cost calculations and adjudication hearings

OPTION #3: APPLY A MEDICAID SUSPENSION POLICY FOR MEDICAID-ENROLLED INCARCERATED INDIVIDUALS

A third option would be to change state policy from Medicaid termination for incarcerated individuals to Medicaid suspension for incarcerated individuals. With this change, incarcerated individuals who were Medicaid-enrolled prior to incarceration would no longer receive benefits during the period of incarceration, but would automatically be enrolled in Medicaid upon release.

What steps would need to be taken in order to implement this change?

The following changes would need to be made to implement this change:

- Submission of a state plan amendment or waiver amendment to CMS for approval to allow the state to suspend rather than terminate eligibility when an individual is incarcerated.
- State statute to require all correctional facilities and DWS to participate in active real time or overnight transmission of incarceration and release information to expedite eligibility processing.
- An appropriation associated with a bill to pay for administrative costs for DWS, DMHF, Utah Department of Corrections and all local jails to automate the exchange of data.

What are the pros and cons for this policy, from an agency's standpoint?

- Pros
 - Uniform statewide application of policy
 - Likely more reliable than trying to negotiate individual agreements and practices with each correctional facility
 - Expedites the reinstatement of eligibility so released inmates have immediate access to health care
- Cons
 - Based on current Medicaid eligibility programs, few incarcerated individuals will be impacted by this process
 - Some individuals who enter a corrections facility Medicaid-eligible would exit the facility non-Medicaid eligible, due to changes in family and household circumstances

What are the approximate fiscal impacts of this policy?

- Total costs are unknown at this time
- Preliminary cost estimate for changes to eRep system - \$300,000