

MEDICAID ELIGIBILITY FOR INMATES

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Senate Bill 1011

Sponsor: Sen. Bruce Caswell

House Committee: Appropriations

Senate Committee: Judiciary

Complete to 12-2-14

A SUMMARY OF SENATE BILL 1011 AS PASSED BY THE SENATE 09-23-14

Senate Bill 1011 amends section 106 and adds section 106b to the Social Welfare Act (1939 PA 280, MCL 400.106, 106b) to require the Department of Community Health (DCH) to do the following for individuals with serious mental illnesses or serious emotional disturbances when they become inmates in public institutions:

- Suspend rather than terminate medical assistance eligibility (i.e. Medicaid coverage).
- Redetermine medical assistance eligibility of the individual.
- Reinstate the individual's medical assistance upon notification that an individual is no longer an inmate residing in a public institution.

As defined in this bill, "public institutions" include inpatient programs operated by DCH for treatment of individuals with serious emotional disturbance or serious mental illness, local correctional facilities, state correctional facilities, and youth correctional facilities.

BACKGROUND INFORMATION:

The federal Medicaid program currently allows coverage of enrolled individuals who are detained in public institutions, correctional facilities, etc., only for inpatient hospitalizations received off-site. Accordingly, current Department of Human Services (DHS) policy (BEM 265) states that "an individual can remain eligible and an applicant can be determined eligible for Medicaid during a period of incarceration... [but] Medicaid coverage is limited to off-site inpatient hospitalization only." To account for this restricted coverage status, DHS policy identifies a unique level of care group code, referred to as "code 32," that applies to eligible individuals upon entering public institutions.

Properly coding and recoding individuals as they move into and out of these facilities requires participation and cooperation of the individuals, facilities, local levels of government, etc. Conversations with agency staff and other stakeholders indicate that inconsistencies may exist in processing, coding, and recoding eligibility status of subject populations from one jurisdiction to the next. If an individual with a serious mental illness or serious emotional disturbance has been receiving care within an institution and is then released into the community without notifying DHS to change the level of care code 32, then gaps in Medicaid coverage will occur.

FISCAL IMPACT:

Senate Bill 1011 should have a negligible fiscal impact on the state and local units of government. Current policy already requires a continuation of Medicaid enrollment rather than termination for all Medicaid enrollees. Any fiscal impact would then depend on how codifying current policy into state statute affects the actual implementation and enforcement of current policy.

This bill could also increase DHS administrative case management activities by requiring a redetermination of medical assistance eligibility for inmates of public institutions instead of the current policy of only changing the level of care code to reflect the individual's change in living arrangement. It is, however, not likely that this requirement will require DHS to hire additional case management field staff.

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