

DMA ADMINISTRATIVE LETTER NO: 09-08, ADDENDUM 2, MEDICAID SUSPENSION

DATE: 04/07/11

SUBJECT: Medicaid Suspension for Incarcerated Recipients; Termination of Inmates in Federal, County and Juvenile Justice Facilities

DISTRIBUTION: County Directors of Social Services
Medicaid Eligibility Staff

I. BACKGROUND

Administrative Letter 09-08 provided policy and instructions to suspend Medicaid benefits for authorized recipients who are incarcerated or who enter an Institution for Mental Diseases (IMD). The instruction to suspend was made applicable to all incarcerated individuals, whether confined by NC Department of Corrections (DOC), or in a federal, county or local jail.

Administrative Letter 09-08, Addendum 1, provided instructions for suspending or terminating prisoners listed on a data match between NC Department of Corrections, Division of Prisons (DOP) and EIS. Addendum 1 also addressed processing applications from DOP for prisoners who are about to be released or who have inpatient hospitalizations while incarcerated.

The state legislation which authorized NC Medicaid to cover inpatient hospitalizations of incarcerated individuals applies only to individuals incarcerated by DOC. Individuals incarcerated in federal prisons or county or local jails are not covered by the legislation. In addition, the agreement between DHHS/DMA and DOC/DOP does not cover individuals confined in NC juvenile justice facilities. The governing authorities over federal prisons, state juvenile justice facilities, county and local jails retain third party responsibility for the medical care of inmates in their custody.

Suspending the Medicaid eligibility of individuals who have been incarcerated in a federal prison, NC juvenile justice facility or a county or local jail will not prevent Medicaid from paying for their inpatient hospitalizations. Therefore, the eligibility of these individuals must be terminated.

II. MEDICAID POLICY

A. Change Reported for Ongoing Cases

1. Individuals Incarcerated by DOC

Continue to apply policy in Administrative Letter 09-08 and 09-08, Addendum 1 for individuals incarcerated by NC DOC.

2. Individuals Incarcerated by Other Authorities

When it becomes known to the county Department of Social Services that a recipient of Medicaid has become incarcerated in a federal prison, state juvenile justice facility, county or local jail, send timely notice to the individual's last known address and terminate according to instructions in MA-2352/MA-3410, Terminations/Deletions.

a. SSI Cases (individual incarcerated in a federal prison, state juvenile justice facility, county or local jail)

Individuals with an SSI indicator of "Y" cannot be terminated until Social Security terminates their SSI. When it becomes known to the county department of social services that an SSI recipient has been incarcerated, notify the Social Security Administration of the individual's status.

b. Caseheads

An incarcerated individual cannot remain as a casehead. If the incarcerated individual is a casehead, review the case file for other family members or third party contact information. Contact the family member or third party and find out with whom the children are living. Obtain the information necessary to replace the casehead. Substitute the name of the new casehead for the incarcerated casehead. Change the address and phone number if necessary.

B. Application Processing

1. Individuals Incarcerated by DOC

Continue to apply policy in Administrative Letter 09-08 and 09-08, Addendum 1 for individuals incarcerated by NC DOC.

2. Individuals Incarcerated by Other Authorities

If the county learns during application processing that an individual is incarcerated by an authority other than NC DOC, determine eligibility for any months prior to and including the month of incarceration. This includes the retroactive period, if requested.

If eligible, approve as open/shut following instructions in MA-2304/MA-3215, Processing the Application.

III. EFFECTIVE DATE AND IMPLEMENTATION

This policy is effective upon receipt. Apply this policy to applications and redeterminations currently in process and to applications taken and redeterminations begun after receipt of this Administrative Letter Addendum.

If you have any questions regarding this material, please contact your Medicaid Program Representative.

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Director, DMA

(This material was researched and written by William Appel, Policy Consultant, Medicaid Eligibility Unit.)