



OLR RESEARCH REPORT

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MEDICAID COVERAGE OF PRISONER HOSPITAL CARE

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You asked if Medicaid can pay for prisoner inpatient hospital care, which would provide a 50% federal match for state expenditures.

SUMMARY

Federal Medicaid law allows states to claim federal matching funds for inpatient hospital care provided to Medicaid-enrolled inmates and Connecticut has been making these claims since late 2011. But unlike what it does for regular Medicaid, the legislature does not appropriate money to the Department of Social Services (DSS) for these services. Rather, it appropriates funds to the Department of Correction (DOC) which, through a memorandum of agreement (MOA) with DSS, transfers these funds to DSS. DSS, which under federal rules is the single state agency allowed to administer Medicaid, pays John Dempsey Hospital at UConn Health Center and private hospitals for rendering Medicaid-covered services to prisoners and these payments qualify for federal matching funds.

The MOA runs through the end of June 2013 and can be extended. It requires DSS alone (1) to determine eligibility of all inmates for whom Medicaid reimbursement will be sought and (2) be responsible for any claims that the federal government makes against any reimbursement deemed ineligible, including reimbursing the federal government and paying any fines, fees, and expenses.

When an inmate is hospitalized, the hospital sends the completed Medicaid application to a special unit in DSS' central office in Hartford for processing.

MEDICAID COVERAGE FOR HOSPITALIZED INMATES

Although the law does not explicitly mandate Medicaid coverage for prisoner inpatient care, the federal Centers for Medicare and Medicaid Services, which is the federal Medicaid agency, has ruled that states may provide this coverage and be eligible for federal matching payments. Hence, in October 2011, DOC and DSS entered into an MOA to have Medicaid cover inmate inpatient care.

Under the MOA, DOC had to transfer \$2.5 million to DSS after the MOA was signed, and will make ongoing payment to DSS to cover the inpatient hospital costs prisoners incur. By having DSS pay the hospitals instead of DOC, the state becomes eligible for a 50% federal match for these expenditures. Any Medicaid matching funds the state receives must be deposited into the General Fund.

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