Department of HUMAN SERVICES

INFORMATIONAL LETTER NO. 2199-MC-FFS

DATE: December 28, 2020

TO: Medicaid Providers, including Substance Use Disorder (SUD) Services

APPLIES TO: Managed Care (MC), Fee-for-Service (FFS)

FROM: Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

RE: Medicaid Eligibility for Inmates of a Public Institution

EFFECTIVE: Immediately

****This IL serves as a reminder of an existing process for inmates of public institutions.****

Federal rules prohibit providers from billing Medicaid for any inmate care unless the covered individual requires a hospital stay of at least 24 hours.

"Inmates" are people living in a public, non-medical institution regardless of whether they have been convicted or are awaiting trial, release, etc.

The following are considered to be inmates of a public institution and **are not eligible for full Medicaid:**

- A Department of Corrections (DOC) inmate (regardless of the inmate's status, i.e., convicted, awaiting trial, etc.).
- An inmate of a county jail (regardless of the inmate's status, i.e., convicted, awaiting trial, etc.).
- Someone who is on work release and living in a halfway house/residential facility.
- Someone who is serving a sentence in a halfway house/residential facility.

The following are not considered inmates of a public institution, and **may be** eligible for full Medicaid services as long as they meet all other eligibility requirements:

- An inmate who has been RELEASED on probation or parole, even if they are living in a halfway house or residential facility.
- An inmate released to the community, beginning with the date of release.

DHS is notified by the DOC and county jails of the Medicaid member's supervision status. DHS evaluates the reported length of time a Medicaid member has been considered an inmate of a public institution, and if it is 30 days or more, DHS will make

changes to the Medicaid member's eligibility effective the date of the inmate status change.

If an individual is considered an inmate, then Medicaid benefits are switched to limited benefits only. When the Medicaid eligibility is adjusted to limited benefits, the Medicaid member is dis-enrolled from their Managed Care Organization (MCO) and placed into FFS Medicaid back to the day they first became incarcerated. Limited Medicaid benefits will cover only inpatient hospitalization claims. If any claims were submitted for payment prior to the Department adjusting the status, and the individual was considered an inmate, those claims would result in a recoupment.

It is the responsibility of the provider to ask an individual whether they may have an "inmate' status before services are provided. If full Medicaid benefits are paid and the Department later finds out the individual was an inmate of a public institution during that timeframe, DHS and the MCO will recoup these services. Then, it will become the responsibility of the member or another payer source to cover the cost of services. It is advised that providers ask the individuals regarding their current living arrangements and incarceration status. Medicaid limited benefits do not cover certain services related to treatment.

If the person's Medicaid is in a limited status upon release, the individual should contact the DHS Customer Service Center at 1-877-347-5678 and ask to have Medicaid returned to full eligibility.

If you have questions, please contact the IME Provider Services Unit at 1-800-338-7909 or email at imeproviderservices@dhs.state.ia.us.