

BUSTER!

A Product of the Federal Interagency Reentry Council

MYTH: Medicaid agencies are required to terminate benefits if an otherwise eligible individual is incarcerated.

FACT: States are not required to terminate eligibility for individuals who are incarcerated based solely on inmate status. States may suspend eligibility during incarceration, enabling an individual to remain enrolled in the state Medicaid program, thereby facilitating access to Medicaid services following release.

Medicaid-eligible individuals may continue to be enrolled in the program before, during, and after the time in which they are held involuntarily in the secure custody of a public institution.

The statutory Federal Financial Participation (FFP) exclusion applies to Medicaid-eligible inmates of public institutions and only affects the availability of federal funds under Medicaid for reimbursement of medical services provided to an incarcerated individual. **The FPP exclusion does not affect the Medicaid eligibility of an incarcerated individual.** Additionally, Medicaid reimbursement is available for inpatient services provided to an inmate in *medical* facilities.

Prior to release from incarceration, the state may make certain that enrolled individuals in suspended status are placed in payment status to ease the receipt of Medicaid-covered services immediately upon leaving the facility.

Inmates not already enrolled in Medicaid may file an application prior to discharge. Beginning the process before release allows the state time to enroll eligible individuals so that they may receive Medicaid-covered services upon leaving the facility.

The Medicaid letter on the back of this document, dated 4/25/2004 and entitled *Ending Chronic Homelessness*, explains the suspension versus termination dichotomy in greater detail.

For More Information:

For more information see the Centers for Medicare and Medicaid Services Medicaid Primer (pp 75- 77), available on the CMS website: https://www.cms.gov/CommunityServices/downloads/Homeless_Primer.pdf.

What is a REENTRY MYTH BUSTER?

This Myth Buster is one in a series of fact sheets intended to clarify existing federal policies that affect formerly incarcerated individuals and their families. Each year, more than 700,000 individuals are released from state and federal prisons. Another 9 million cycle through local jails. When reentry fails, the social and economic costs are high -- more crime, more victims, more family distress, and more pressure on already-strained state and municipal budgets.

Because reentry intersects with health and housing, education and employment, family, faith, and community well-being, many federal agencies are focusing on initiatives for the reentry population. Under the auspices of the Cabinet-level interagency Reentry Council, federal agencies are working together to enhance community safety and well-being, assist those returning from prison and jail in becoming productive citizens, and save taxpayer dollars by lowering the direct and collateral costs of incarceration.

For more information about the Reentry Council, go to: www.nationalreentryresourcecenter.org/reentry-council