



State of New Jersey

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

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Trenton, NJ 08625-0712

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Governor

JENNIFER VELEZ
Commissioner

KIM GUADAGNO
Lt. Governor

VALERIE HARR
Director

MEDICAID COMMUNICATION NO. 14-13

DATE: December 9, 2014

TO: County Welfare Agency Directors
Statewide Eligibility Determining Agencies

SUBJECT: Inpatient Acute Care Hospitalization Coverage for Inmates

The Affordable Care Act under 42 C.F.R. 435.1009 and 435.1010 has clarified that federal financial participation can be obtained for states through the Medicaid program to cover an inmate of a public institution who is admitted for inpatient hospital services. This means, federal reimbursement is allowable for Medicaid eligible inmate acute care hospitalizations. For purposes of this cost saving initiative, the Division of Medical Assistance and Health Services (DMAHS) will consider any inpatient acute care hospitalization as intended for a 24-hour period as stipulated by State laws. DMAHS is working with the New Jersey Department of Corrections (DOC) - state prisons, and Administrative Office of the Courts (AOC) – county jails.

Retroactive to January 1, 2014:

The State of New Jersey is able to take advantage of this cost saving initiative by using this Medicaid exception rule. If the inmate has or can have an NJ FamilyCare eligibility segment established, that segment can be used to pay the inpatient acute care hospitalization. For County and State inmates who become inpatients at an acute care hospital and are Medicaid eligible during their hospital stays, it is the intent of DMAHS to have the inmates' inpatient hospitalizations reimbursed through the federally supported Medicaid program instead of through the State's general operating funds or the local county budgets.

Medicaid reimbursement for eligible inmate expenses can go back to January 2014, if the correctional facility working with the County Welfare Agency (CWA) is able to provide the active NJ FamilyCare policy number the inmate had at the time of their acute care hospitalization. The hospital can then bill Medicaid for that inpatient hospitalization. The CWA should review any of their pending applications for inmates submitted prior to September 1, 2014 that have not yet been processed. The CWAs should also re-process those applications processed prior to September 1, 2014

which were denied solely due to the fact that the person was incarcerated. If the inmate has or can have a NJ FamilyCare eligibility segment established, that segment can be used to pay the acute care hospitalization.

Starting September 2014:

As of September 1, 2014, New Jersey acute care hospitals that are certified Presumptive Eligibility (PE) providers are using the new Presumptive Eligibility for Inmates on-line application to enroll uninsured but eligible inmates up to age 65 years old into Medicaid when they are admitted to their medical facility. PE is self-attested and provides temporary Medicaid (NJ FamilyCare) for up to 2 months per 12-month period with the intent to provide seamless temporary insurance until full eligibility for NJ FamilyCare is determined by the local CWA. The inmate must also be a U.S. Citizen or Qualified Immigrant.

As with the regular PE process, this Inmate PE application will be simultaneously electronically forwarded to the local CWA for a full eligibility determination. The local CWA must work with the county jail to obtain any missing information needed to electronically verify and complete the eligibility determination.

For uninsured inmates who are 65 and over, if hospitalized, PE is not an option. Instead, Medicaid eligibility through the Aged, Blind and Disabled Program must be completed by the county jail and submitted to the CWA so that eligibility can be determined by the local CWA. Those inmates eligible for Medicaid (NJ FamilyCare) or the Aged, Blind and Disabled Program must have their inpatient acute care hospitalization paid by those programs.

Beginning January 2015:

As of January 2015, Medicaid will be using systemic data matching with daily inmate files from both AOC and DOC. Any inmate identified as having Medicaid eligibility at the time of their incarceration will have a Special Program Code (SPC) added to their eligibility segment, which will be viewable on eligibility systems such as e-MEVS, NJMMIS/NJP, and OIT MES. A SPC 99 will represent the county inmates and SPC 98 will represent the state inmates. The SPC will limit their Medicaid coverage to Fee-For-Service acute care hospitalization only and will disallow for any capitation payments to be made for Managed Care enrollment or to the non-emergency transportation vendor. Any applications for someone who is incarcerated, including Presumptive Eligibility, should be processed for a full eligibility determination since the intent of the new edit is to systemically match and add the inmate indicator to any existing or new eligibility segments.

Upon release:

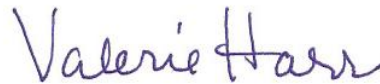
The daily inmate file will update the Medicaid record and the inmate indicator will end due to any inmate release dates present on the file. The county correctional facility was requested to work directly with their local CWA to alert them when an inmate not currently enrolled in Medicaid is up for release. It is important to be sure that an inmate eligible for benefits has full eligibility established upon discharge so that they

can access the health care services they are entitled to. The CWA should work with their partnering correctional facility on who at the facility will be notifying the CWA of the inmate's release. Be informed that inmates up for release who are homeless may have their health cards sent to the local CWA to be retrieved by them upon discharge. Please be sure to keep those health cards for up to 90 days to allow time for the beneficiary to retrieve their cards before sending the cards to the eligibility determining agency that processed their application.

Inmate PE will continue to be done as outlined above, only on any inmate who has no existing Medicaid coverage.

If you have any questions regarding this Medicaid Communication, please refer them to the Division's Office of Eligibility Policy field service staff for your agency at 609-588-2556.

Sincerely,

A handwritten signature in blue ink that reads "Valerie Harr". The signature is written in a cursive, flowing style.

Valerie Harr
Director

VH:I

- c: Jennifer Velez, Commissioner
Department of Human Services
- Lowell Arye, Deputy Commissioner
Department of Human Services
- Lynn Kovich, Assistant Commissioner
Division of Mental Health and Addiction Services
- Dawn Apgar, Deputy Commissioner
Department of Human Services
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