

**Judiciary Committee**  
**LB 7**  
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Good afternoon, Senator Ebke, and members of the Judiciary Committee. My name is Calder Lynch C-A-L-D-E-R L-Y-N-C-H. I am the Director of the Division of Medicaid and Long-Term Care in the Department of Health and Human Services (DHHS). I am here to provide information regarding LB 7, which would provide for suspension of Medicaid for detainees in public institutions.

I want to begin by thanking Senator Krist for engaging in a positive dialogue regarding this proposal over the last several days. I think it has helped to spread awareness about some of the good work that has occurred over the last few years to improve how we are managing Medicaid eligibility operations.

For the committee's knowledge, and as way of background, longstanding federal guidance restricts the use of Medicaid funds for individuals detained in a public institution. In an effort to ease the transition of these individuals who otherwise would be eligible for Medicaid, the legislature passed LB0605 in 2015. This bill provided for the suspension of Medicaid eligibility for inmates of public institutions. The state has worked with our partners in the Department of Correctional Services, local county governments, and the YRTC's to create a process in which we are notified of a person's entry into a public institution so that we can suspend their Medicaid eligibility. We are then notified upon the individual's release so that their Medicaid coverage can be reactivated.

What began as a manual process in September 2015 was recently automated for Department of Corrections and county facilities, who report intake and release information through the Nebraska Criminal Justice Information System (NCJIS) Interface. This data feed creates an automated alert within our eligibility system that triggers a worker to review the case and take the appropriate next steps. YRTC staff have direct access to our system and screen their residents for Medicaid eligibility and notify our workers when a suspension is appropriate.

Senator Krist's bill changes the provisions that were enacted in LB605 to not only apply to inmates of public institutions but also to "detainees." As I shared with the Senator, the agency already is suspending these individuals who might be considered a detainee under this bill, including youth in YRTC's, since they meet the federal definition of an inmate of a public institution.

Federal Medicaid regulations have a two part test when determining whether federal Medicaid funding is allowed to be spent on an individual – the individual must 1) be an inmate and 2) be residing in a public institution , which is defined as *“an institution that is the responsibility of a governmental unit or over which a governmental unit exercises administrative control”*.

There is no distinction between someone who is an inmate and someone who is a detainee. An “inmate” is defined as someone who is “serving time for a criminal offense *or* confined involuntarily in State or Federal prisons, jails, detention facilities, or other penal facilities.” The 1997 state Medicaid director letter that stipulates these provisions even clarifies that “a juvenile awaiting trial in a detention center is no different than an adult in a maximum security prison” for purposes of federal Medicaid eligibility. Therefore, inmate as defined in federal regulations includes anyone who might be considered a detainee under LB7.

Thank you for the opportunity to testify before you today, and I am happy to answer any questions from the committee.