

PROVIDER BULLETIN

No. 16-20

DATE: July 27, 2016

TO: All Medicaid Providers

FROM: Calder Lynch, Director 
Division of Medicaid & Long-Term Care

BY: Catherine Gekas Steeby, Administrator II

RE: Federal Guidance Regarding Medicaid Services to Inmates

Please share this information with administrative, clinical, and billing staff.

The purpose of this bulletin is to provide clarification in regards to Medicaid services for justice-involved individuals in Nebraska, including both adults and children.

A longstanding provision of the federal Medicaid statute excludes Medicaid payment for services provided to inmates of public institutions (including correctional institutions) except for services provided to “a patient in a medical institution.” The exception applies to inmates who are patients in a medical institution, not operated by a correctional facility, for 24 hours or more.

An individual is not considered an inmate when residing in a public institution *voluntarily* and the coverage exclusion does not apply. The voluntary nature of the residence is critical; an individual would be considered an inmate during temporary involuntary residence in a public institution imposed by the justice system (for example when confined pending trial) but not when the individual is free to leave the institution.

The exclusion of Medicaid payment for services does not apply to individuals on parole, probation, or residing in a halfway house. However, the exclusion does apply to individuals in a Residential Reentry Center (RRC) as the Department of Justice, Bureau of Prisons (BOP) retains responsibility for payment of health care services rendered in an RRC.

Recently the Centers for Medicare and Medicaid Services (CMS) provided guidance on facilitating access to Medicaid services for individuals transitioning from incarceration to their communities. This guidance is available at the CMS website, SHO# 16-007 (<https://www.medicaid.gov/federal-policy-guidance/downloads/sho16007.pdf>).

If you have any questions, please contact Catherine Gekas Steeby at Catherine.gekasteeby@nebraska.gov.