SSB 6430
Medicaid Suspension and Care Coordination

Overview
Substitute Senate Bill (SSB) 6430 directs the Health Care Authority (HCA) to suspend, rather than terminate, medical assistance benefits for persons who are incarcerated (also known as justice-involved individuals) or committed to a state hospital, starting July 1, 2017. The intent is to provide continuity of care for individuals upon re-entry into the community.

SSB 6430 also requires HCA and the Department of Social and Health Services (DSHS) to:

- Identify care coordination and clinical best practices for the development of training materials for behavioral health organizations, managed care organizations, and behavioral health providers.
- Request expenditure authority from the federal Centers for Medicare & Medicaid Services (CMS) to provide behavioral health services to those incarcerated.
- Request permission from CMS to allow the state to cover individuals participating in a work release setting or other partial confinement programs under the state Medicaid program.

Providing better transition services to justice-involved individuals and those residing in a state hospital is an important first step in improving their lives. Incarcerated individuals have disproportionately high rates of chronic health conditions, infectious disease, and behavioral health issues. Providing effective, equitable, and respectful care and services that are responsive to diverse cultural health beliefs, practices, preferred languages, and health literacy can help close the gap in health care outcomes.

Incarceration and commitments to a state hospital provide an opportunity to connect individuals with health coverage and engage them in treatment. This engagement may benefit them for the rest of their lives and hopefully prevent future institutionalization. Investing in health care and behavioral health treatment is one way to reduce the cycle of repeated criminal activity and crisis related interventions which may save communities money on health care and the justice system while increasing public safety.

Background
CMS limits federal financial participation for Washington Apple Health (Medicaid) coverage provided to individuals while residing in correctional institutions or an institution for mental diseases (IMD). This includes state and federal prisons; city, county and tribal jails; juvenile detention and rehabilitation facilities; the special commitment centers; and Eastern and Western State hospitals.

Specifically, Medicaid statute does not allow federal funding for justice-involved individuals of any age who are incarcerated or for patients 22-64 years of age residing in an IMD, such as our state hospitals, which are primarily engaged in the diagnosis, treatment, or care of an individual with a mental disease.
An individual is not considered to be an inmate of a public institution or a patient in a state hospital during the time of an inpatient hospitalization in a medical facility lasting longer than 24 hours. Individuals who are on parole, probation, or have been released to the community pending trial, including under pre-trial supervision, are not considered inmates. Federal funding for Apple Health (Medicaid) is available for services provided to these individuals.

**Current situation**

Washington State closes Apple Health (Medicaid) coverage for individuals who are incarcerated or in an IMD (aged 22-64). The Department of Corrections (DOC) notifies HCA of individuals in their custody through a data interface. For city and county jails, the Juvenile Rehabilitation Administration (JRA) and IMDs, notification occurs through self reporting.

An individual may retain their Apple Health (Medicaid) eligibility if their length of stay in an IMD or correctional facility is anticipated to be less than 30 days. New federal-managed care regulations will likely impact current policy but further work is needed to identify exactly how.

**The intent of SSB 6430**

**Suspend vs. terminate**

Termination of Medicaid coverage means closing an individual’s Medicaid coverage once HCA is aware of the individual’s incarceration. Today, anyone whose coverage is terminated due to incarceration or an IMD stay must submit a new application upon release.

SSB 6430 allows HCA to suspend, rather than terminate, Medicaid coverage for incarcerated individuals and those in a state hospital. This limits the scope of coverage to qualifying inpatient hospitalizations, while retaining their eligibility for Medicaid so that they can access health care services quickly upon release.

**Policy proposals**

To accommodate suspension, HCA will require the implementation of new policies and modification of existing policies. The following is a list of proposed policies that may be updated to support suspension:

- Suspension of both Modified Adjusted Gross Income (MAGI) and classic Medicaid in all populations (jails, DOC, JRA, state hospitals, detention centers and SCC).
- Medicaid will be suspended immediately and indefinitely upon incarceration or admittance to a state hospital. Coverage will not terminate regardless of the anticipated length of stay unless other eligibility factors change. Full scope coverage will be reinstated automatically upon release.
- MAGI Medicaid will auto-renew; classic Medicaid renewals will continue to follow the current process.
- MAGI Medicaid notifications regarding coverage changes will be handled electronically whenever possible and at the time of booking or admittance when feasible.
- Medicaid eligibility notifications will have a statement that coverage will be suspended if incarcerated or residing in a state hospital.
- Required changes to family coverage will be addressed manually by state staff.

For questions or additional information, please contact medicaidsuspension@hca.wa.gov.