



<b>Policy Memo</b>	
<b>KDHE-DHCF POLICY NO: 2021-05-01</b>	<b>From: Erin Kelley, Senior Manager</b>
<b>Date: May 1, 2021</b>	<b>MKEESM/KFMAM Reference:</b> MKEESM 8111.1 (3) & KFMAM 2052.05
<b>RE: Incarcerated Minor</b>	<b>Program(s): All Medical Programs</b>

This memo sets forth instructions for implementation of policy changes related to Medicaid eligible juveniles entering or exiting an incarceration or non-eligible public institution. The policy and process are effective as of May 1, 2021 and may be applied retroactively as needed. The KFMAM and Medical KEESM manuals will be updated with the next scheduled revision.

No previously established policies are superseded with this memo; however, it is notable that this memo may be referenced in conjunction with the following existing policies surrounding Medicaid individuals in public institutions:

- PM2007-06-01 – [Inmate Pre-Release Process](#)
- PM2012-09-01 – [Inpatient Hospital Coverage for Inmates of State Correctional Institutions](#)
- PM2019-08-01 – [Policy Implementation Instructions for the Data Exchange with Appriss](#)

## **I. CHANGES IMPACTING ALL MEDICAL PROGRAMS**

### **A. INCARCERATED MINORS**

Based on Medicaid legislation known as the SUPPORT Act, signed into law October 2018, states are prohibited from fully terminating Medicaid coverage for eligible children under the age of twenty-one (21) and Aged Out foster care (AGO) recipients who become inmates of public institutions on or after October 24, 2019. In order to facilitate Medicaid enrollment and support healthcare access upon release for this population, defined by CMS as “eligible juveniles,” coverage should be suspended but not terminated, meaning that no application is required upon release for the member’s reinstatement as long as they remain categorically eligible (i.e. meet categorical requirements for age, residency, etc). A redetermination of eligibility must be completed prior to or upon release based on current

circumstances. In addition, states are required to accept applications from or on behalf of these individuals while they are still in a detention status, determine their Medicaid eligibility, and if eligible, hold the application for approval upon release.

While our current APPRISS process outlined in [PM2019-08-01](#) accounts for members of this group 18 and older who enter a city/county jail, which would include AGO recipients, we have not previously tracked Medicaid recipients under the age of 18 who met these criteria. This memo outlines the requirements for handling Medicaid-eligible applicants and recipients under the age of 18, as well as 18 year-olds not covered by the APPRISS process, who are placed in or released from a public correctional institution. For the purposes of this policy, a public institution is defined as any institution that is the responsibility or is in the administrative control of a governmental unit or agency, which would include both state facilities (Kansas Department of Corrections) and city/county jails.

**Note:** At this time, the policy here only pertains to Medicaid (TXIX), including Long Term Care (LTC), or M-CHIP eligible individuals and does not relate to CHIP coverage.

## **1. SUSPENSION PROCESS**

Under this policy, the incarcerated Medicaid-eligible juvenile's eligibility is not terminated but is effectively paused. Systematically, there is not currently a method of suspending or pausing coverage; in order to accomplish this policy, eligible juveniles who enter detention or correctional facilities will not be required to submit a new application in order to be determined upon their release. The current process surrounding adding a child to an open case when they enter the household remains unchanged; however, this policy implements additional details and processes surrounding this specific group of children.

Once a child under 18 is reported as being out of the home due to placement in a correctional institution, coverage will need to be closed for the child in the soonest available month, providing timely and adequate notice, and a Living Arrangements record created in KEES with a Living Arrangement Type of "Incarceration." The closure notice must contain specialized verbiage advising the responsible party to inform us when the child returns to the home and that a new application may not be required. The notice, G-811, for this purpose can be found on the Standard Copy and Paste.

Upon notification of release, eligibility will be evaluated based on current circumstances (see section 3) and if eligible, coverage will need to be reinstated in the month of release to ensure no gaps in coverage. If categorical eligibility requirements are no longer satisfied (i.e. age, residency, living with a caretaker, etc.), a denial/closure notice should be sent with the appropriate denial reason.

**Example:** On 5/15/2021, a caretaker/primary applicant calls to report that the 17-year-old child on their open case is no longer in the home due to being placed in a juvenile detention center. The worker adds a living-arrangements record using "Incarceration" as the type and runs EDBC in the following month to end coverage for the child as of 5/31/2021. The closure notice sent includes a snippet letting the caretaker know to notify the KanCare Clearinghouse upon the release of the child and that a new

application may not be needed to reinstate coverage. On 8/15/2021, the caretaker calls to report that the child has been released and is back in the home as of that month. The worker re-determines eligibility and if criteria is met, end-dates the living-arrangement record for 7/31/2021 and adds the child back onto the case beginning 8/1/2021.

## **2. APPLICATION RECEIVED FOR INCARCERATED MINOR**

Per federal regulations, incarceration does not preclude an inmate from being determined Medicaid-eligible. Some individuals may apply for Medicaid or have an application filed on their behalf while incarcerated, thereby becoming eligible juveniles under this policy. For this reason, when an application is received on behalf of a child under 18 currently the inmate of a correctional facility, the application must be processed for potential coverage. If Medicaid-eligible, the child's determination will be considered "suspended" until the time of release, and a new application will not be required.

As KEES does not currently have functionality to support the suspension of eligibility, it is appropriate to close or deny coverage at the time of application to avoid cases remaining in a pending status for an indeterminate length of time. The application may be held up to thirty (30) days prior to denial/closure in the system in anticipation of release at operational discretion. If no communication regarding the individual's release is received in that timeframe, the denial/closure may be completed; however, the generated denial or closure notice must be deleted and a manual notice sent informing the applicant that while coverage cannot be approved at that time due to the applicant's incarceration status, coverage may be instated upon release and that a new application will not be required in most cases. A specialized notice, G-810, has been created for this purpose and can be found on the Standard Copy and Paste.

Existing policies for application and renewal timeframes continue to apply. After twelve (12) months a new application or review would be required prior to approval. Likewise, if the juvenile is no longer categorically eligible upon release, i.e. no longer meets categorical requirements of age, residency etc., the coverage may at that time be denied or closed, and a new application would be required for additional/further processing.

**Example:** An application is received 5/15/2021 requesting coverage for two children. In the household members address section, the primary applicant indicates that one of the children does not live at the same address due to being in a correctional facility. The worker creates a living-arrangements record for the child with a begin date of the month of application. Once processing is complete, the denial notice for the incarcerated child should include append language indicating that while coverage cannot be approved now due to the child being in a correctional institution, to notify the KanCare Clearinghouse upon release and we may be able to begin coverage without a new application. On 8/15/2021, the caretaker notifies us that the child has been released to the home. The worker re-determines eligibility and if met, reapplies, and approves the child as of 8/1/2021 (the date of release may be used as the application date).

### **3. REDETERMINING COVERAGE**

Prior to the release of the child, a redetermination of benefits must occur based on current circumstances. If we are unable to obtain a release date ahead of time (prior to the release), the redetermination should occur as soon as possible once we are notified of the release date. Information in the case file and data sources/interfaces should be used to the greatest extent possible prior to contacting the caretaker. Only information needed to renew eligibility should be requested. If unable to redetermine coverage in this manner, the information must be collected through a pre-populated renewal form.

If there are other active members on the case, and a review has occurred since the child was removed but within twelve (12) months of the release date, no redetermination will be necessary – the child may be reinstated with the information currently on file.

If we are notified that the child has been released to a new address, it may be necessary to clarify the details of the current living situation. If the child has been released to a different caretaker than that on the original case, a new case will need to be registered with the child as the case head/primary applicant and the date of release as the application date.

**Note:** Ideally in this case the new caretaker would send in an application for the child; however, based on this policy, a new application would not be required in order to continue benefits. At the end of the review period, a valid review form would be required to continue coverage.

Regarding CE dates, while CMS allows continuous eligibility for this population while in an incarcerated status, our current system will in some cases renew a 12-month CE period when reinstating coverage, which is appropriate as long as eligibility is based on updated/current circumstances and we are not requiring more than one review to be completed by the consumer within a 12-month timeframe.

### **4. OTHER HOUSEHOLD MEMBERS**

For MAGI cases which are determined based on IRS rules, an individual detained in a juvenile facility is considered to be temporarily absent from, but still remain living in, the home the individual lived in before his or her detention. As long as it is reasonable to assume the child will be returning to the original household, the child's absence due to incarceration will not negatively impact eligibility for other household members, and a redetermination of coverage for other household members upon the detainment or release of the child in question would not be required.

**Note:** For non-MAGI (Elderly & Disabled and Long-Term Care), household composition relies on whom is living in the home, so for these programs, absence of an individual due to incarceration may affect household composition/eligibility.

## **5. HOSPITALIZATION/INPATIENT TREATMENT**

If an inmate whose eligibility has been suspended is hospitalized or becomes an inpatient in another type of medical institution, the state may claim Fee for Services (FFS) for inpatient services furnished during the inpatient stay. The process for receipt of inmate applications for inpatient services already includes eligible juveniles in KDOC custody; however, for eligible juveniles residing in city or county jails, we have not previously applied inmate coverage. Per CMS mandate, inpatient bills for anyone meeting the definition of eligible juvenile set forth in this memo should be covered by Medicaid, and the suspension of benefits essentially lifted for those dates. This would include those residing in city/county jails. In most cases we will not be aware of children placed in these institutions as we do not at this time have a standardized method of receiving information for that population (the APPRISS file captures this data for adults but cannot be extended to minors under 18); however, if we do receive information or a request for coverage of medical bills for a child residing in a city/county jail, inmate coverage may be applied in order to accomplish this.

In order for the state to cover a hospital stay, the individual must have received an eligibility review/renewal within twelve (12) months of being hospitalized with no changes in circumstances since becoming incarcerated. If more than twelve months have passed since the previous renewal, a redetermination of eligibility must take place prior to claiming FFS for an inpatient stay.

## **II. QUESTIONS**

For questions or concerns related to this document, please contact one of the KDHE Medical Policy Staff listed below.

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Questions regarding any KEES issues are directed to the KEES Help Desk at [KEES.HelpDesk@ks.gov](mailto:KEES.HelpDesk@ks.gov)