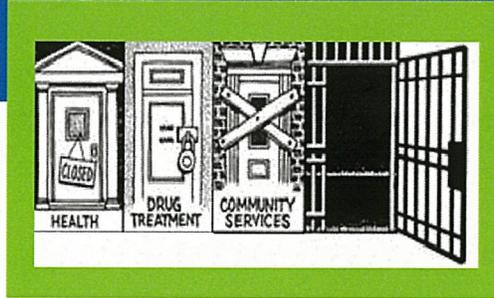




TERMINATING MEDICAID FOR VULNERABLE NEW MEXICANS



Benefits of Not Terminating Medicaid and Keeping New Mexicans Connected to Health Care



- Reduced Criminal Recidivism
 - One of the significant factors for recidivism is lack of health care coverage
 - Other states, such as Florida and Washington, have seen a **16% reduction in recidivism** over a two-year period with concerted effort to connect inmates to health care
- Savings in health care and criminal justice
 - Every \$1 invested in behavioral health treatment returns \$12 in savings
 - \$7 reduction in criminal justice costs
 - \$5 reduction in health care costs

FREQUENTLY ASKED QUESTIONS

What happens to Medicaid coverage when a person is incarcerated?

When a New Mexican covered by Medicaid enters jail or prison for 30 or more days, the Human Services Department (HSD) terminates his or her coverage.

Is the State required to terminate a New Mexican's benefits when he or she enters prison or jail?

No. Federal law allows the State to keep these individuals enrolled in Medicaid until their release back into the community.

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Can Medicaid pay for health care services provided within jails or prisons?

No, but there are exceptions. Under the law, the federal government will not reimburse New Mexico for services a Medicaid enrollee receives while incarcerated. That, however, does not preclude the state from using its own Medicaid dollars to pay for the care. Additionally, care received by inmates who are in a community-based hospital for more than 24 hours, can be billed to Medicaid if the person meets Medicaid eligibility requirements. Due to Medicaid Expansion, many of those services will be reimbursed 100% by the federal government.

Does the State allow inmates to apply for Medicaid while they are incarcerated?

Not fully. HSD is currently piloting a program in Bernalillo and Santa Fe counties that will allow incarcerated individuals to apply for short-term “presumptive eligibility” Medicaid coverage upon release. The person must still complete a full Medicaid application after release.

Is this “presumptive eligibility” application enough to connect people to the health care they need?

No. While the State has taken a positive step in allowing people to apply for “presumptive eligibility” coverage upon release from incarceration, that process alone, is insufficient to keep these vulnerable New Mexicans connected to coverage. First, due to staffing issues and inmate discharges on weekends or after-hours, many eligible recipients will be missed. Second, those individuals returning to their communities must still complete the full Medicaid application but may be unable without information and assistance. The State could avoid this process by simply not terminating Medicaid coverage for people who are incarcerated, ensuring no gaps in coverage. For those individuals not already enrolled in Medicaid, the State could allow them to apply for coverage while incarcerated, helping to ensure they are connected to health care upon release.

How much would it cost for the State to not terminate Medicaid benefits?

It depends on how HSD implements the non-termination policy. HSD could create a “suspension” category in its IT system or find an alternative approach. For example, Illinois recovers the monthly capitated rates it pays to managed care organizations for incarcerated enrollees with a quarterly reconciliation process. If a “suspension” category is created, HSD stated, in 2013, the costs for IT system changes and employees to oversee the system would cost approximately \$2 million. The federal government, however, would reimburse up to 90% for much of the costs to implement a “suspension” category and allow pre-release applications. An alternative approach by HSD might cost even less to implement. Regardless, the costs pale in comparison to the long-terms cost savings to the State and counties.

Would it be administratively burdensome to not terminate Medicaid benefits?

No. In fact, the process should decrease the administrative burden. By terminating benefits and then having an inmate reapply upon discharge, HSD is creating an unnecessary step for enrollment personnel. With a non-termination policy, HSD avoids the extra step and keeps individuals connected to the coverage they need.

How do the State and local governments benefit from suspending Medicaid coverage?

High rates of recidivism exact heavy costs on society. Access to regular health care, particularly for mental health and substance use treatment, is crucial for the successful return of incarcerated New Mexicans to their communities. Without that access, these individuals are at greater risk of falling through the cracks and committing new crimes, jeopardizing public safety and public health while increasing public spending on criminal justice costs.