

**California Department of Health Care Services
Proposed Trailer Bill Legislation**

**Extend the Duration of Suspension of Medi-Cal Benefits
for Adult Incarcerated Individuals**

FACT SHEET

ISSUE TITLE: Extend the Duration of Suspension of Medi-Cal Benefits for Adult Incarcerated Individuals. Effective January 1, 2023, the Department of Health Care Services (DHCS) seeks to extend the duration of suspension of Medi-Cal benefits for adult incarcerated individuals from a one-year time-limited suspension to a suspension that remains in effect until the individual is no longer incarcerated within a public institution, if otherwise eligible.

BACKGROUND: According to federal law, benefits may be suspended for some individuals, who are enrolled in Medi-Cal at the time of the individuals' incarceration. Under current state law, the suspension shall end on the date the individual is no longer an inmate of a public institution or one year from the date that the individual becomes an inmate of a public institution, whichever is sooner.

To provide continuity of care for incarcerated persons being released from a correctional facility, DHCS, in conjunction with the California Department of Corrections and Rehabilitation and stakeholders, implemented the inmate pre-release policy described in All County Welfare Directors Letters (ACWDLs) 07-34 (January 2, 2008), 14-24 (May 6, 2014) and 14-24E (June 25, 2014).

The above referenced ACWDLs guide counties and justice-involved entities, with whom the counties work with, on processing pre-release Medi-Cal applications for state and county inmates. The pre-release application process strives to prevent lapses in health coverage after the release of eligible inmates.

Currently, the state inmate pre-release Medi-Cal application process is operational in all 58 counties. As part of the California Advancing and Innovating Medi-Cal (CalAIM) Initiative-Justice-Involved Initiative, per SEC 346 of AB 133 (Chapter 143, Statutes of 2021), no sooner than January 1, 2023, DHCS, in consultation with specified stakeholders, is required to develop and implement a mandatory process by which county jails and county juvenile facilities coordinate with Medi-Cal managed care plans and Medi-Cal behavioral health delivery systems to facilitate continued behavioral health treatment in the community for county jail inmates and juvenile inmates that were receiving behavioral health services before their release. Upon release from a state prison, county jail, or county juvenile facility, Medi-Cal eligible-individuals would receive needed medical and behavioral health services in the community via Medi-Cal managed care plans and Medi-Cal behavioral health delivery systems.

The CalAIM Justice Involved Initiative will also help streamline and create administrative efficiencies to county welfare departments' workload. No sooner than July 1, 2022,

DHCS, in consultation with representatives of county welfare departments, the Statewide Automated Welfare Systems (CalSAWS), and other interested stakeholders, shall initiate the planning process to prioritize the automation of Medi-Cal suspensions for incarcerated individuals into the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS). This change will be reflected in the CalHEERS 24-Month Roadmap Initiatives and the County Eligibility Worker Dashboard (SEC. 366 of AB 133).

If an individual with suspended Medi-Cal benefits is released before the one-year suspension period ends, their benefits are reactivated without a new application being submitted, unless the county has sufficient information available to determine that the individual is no longer eligible for Medi-Cal. If an individual's Medi-Cal coverage is discontinued, the individual is required to submit a new application upon release from prison or jail, which may cause a significant delay in receiving needed health care coverage and needed medical services, which include but are not limited to: medical prescriptions, behavioral health treatment, doctors' appointments, and other reasonable and necessary life-saving services. Terminating benefits before release, rather than leaving individuals in a suspended status, increases the gap in health care services, which are critical in the first weeks and months post-incarceration.

In October 2018, H.R. 6 (Public Law 115-271 Section 1001) the "Substance Use- Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act" was signed into law, which requires that juveniles who are inmates of public institutions not have a time-limited suspension for Medicaid. The SUPPORT Act defines an eligible juvenile as an individual under 21 years of age or former foster care youth under 26 years of age. As part of the Budget Act of 2020, statutory changes in state law were made in SEC 49 of AB 80 (Committee on Budget, Chapter 12, Statutes of 2020) to conform to federal law.

JUSTIFICATION FOR THE CHANGE: The proposal aligns with CalAIM's Justice-Involved Initiative, which provides continuity of health coverage and care for justice-involved populations, who experience disproportionately higher rates of physical and behavioral health diagnoses.

The existing one-year limit on suspension of Medi-Cal benefits for adult inmates potentially delays access to medical care for eligible incarcerated persons after release from a public institution and is burdensome for county Medi-Cal eligibility workers who must process new Medi-Cal applications for an otherwise eligible individual upon their release from incarceration. Access to health care benefits provided prior to and during incarceration must also be available immediately upon release to allow for uninterrupted services.

Continuity of care is vital in reducing recidivism, promoting positive health outcomes, and successfully reintegrating individuals into their communities. Studies have shown that interruption in access to care increases an individual's risk of a lapse in medication intake, which could lead to a greater chance of recidivism and readmission.

Therefore, DHCS seeks to extend the duration of suspension of Medi-Cal benefits for adult incarcerated persons, as defined, from a one-year time-limited suspension to a

suspension that remains in effect until the individual is no longer incarcerated, if otherwise eligible. The proposal requires DHCS, in consultation with stakeholders, including the County Welfare Directors Association of California and advocates, to update and implement a redetermination of eligibility, to the extent required by federal law.

Suspending Medi-Cal benefits for the duration of an individual's incarceration, will alleviate lengthy and cumbersome re-application processes that could potentially delay access to health care upon an individual's release from a correctional facility. Timely access to health care has the potential to make a significant difference in the lives of this already vulnerable population by providing critical community services, avoiding crises and unnecessary institutionalization. Providing continuity of care will reduce the demand for intensive, costly health care services down the road, which will improve health outcomes for this population.

SUMMARY ARGUMENT IN SUPPORT:

- The proposal will provide more incarcerated persons with access to life-saving medications and treatments following their release without delays.
- As of July 23, 2021, approximately 11.75 percent of all incarcerated persons in California were enrolled in Medi-Cal. The proposal will increase efficiencies to county Medi-Cal eligibility workers by providing a more timely and streamlined process to reinstate Medi-Cal coverage upon an incarcerated person's release.
- According to the National Association of Counties, terminating benefits prior to release, rather than leaving individuals in a suspended status, increases the gap in health care services, which are critical in the first weeks and months post-incarceration. The Kaiser Family Foundation released a report stating that improved access to services and better management of health conditions immediately after release from jail or prison has shown to reduce rates of recidivism, particularly among individuals with mental health and substance abuse disorders. Studies published by the American Psychiatric Association show that incarcerated persons who were enrolled in Medicaid at the time of release had 16% fewer incidents of recidivism compared to those not enrolled at the time of release.
- The proposal will provide efficient continuity of care for justice-involved individuals who are going to be released from incarceration and will provide uninterrupted access to health coverage to support the high-risk, high-need, justice-involved population in receiving much-needed care as they transition back to their communities.
- The proposal will improve health outcomes for vulnerable populations, by decreasing the need for costlier health care services down the road, and increase rates of successful community reintegration.

BCP or Estimate Issue # and Title: Not applicable.