

Medicaid Claiming and Public Safety Agencies

Background

Medicaid is a joint federal-state health insurance program that covers well over 65 million low-income Americans, making it in the largest health insurance program in the United States. Funding for Medicaid-related expenditures is shared by the federal government and state and local governments. While Medicaid pays for traditional services like doctors' appointments and hospital stays, it also covers other types of services. On average, 96 percent of Medicaid expenditures cover traditional direct services; the other 4 percent, however, cover non-service functions, including funding matches to states and localities for administrative expenses related to Medicaid. Those administrative expenses typically are used to fund social services, mental health, and public health programs through a program called Medicaid Administrative Claiming (MAC). Few public safety entities participate in MAC, even though they are eligible.

Because of Medicaid expansion under the Affordable Care Act (ACA), MAC is a potentially important tool for jurisdictions. All states may participate in MAC, regardless of whether they have opted to expand Medicaid.

MAC offers public safety agencies an opportunity to expand and enhance the services they provide to the justice-involved. Through MAC, a jurisdiction can get reimbursement for activities that help keep the public safe, including activities related to enrolling justice-involved individuals in Medicaid and connecting them with appropriate health care services in the community.

The Link between Public Safety and Health Care

Research demonstrates the link between public safety and access to health insurance and health care. A study in Florida and Washington State found that justice-involved individuals who enrolled in Medicaid at release from jail were more likely to access community mental health and substance abuse services than justice-involved individuals who were not enrolled in Medicaid. Those who were still enrolled in Medicaid a year after release had 16 percent fewer detentions and stayed out of jail longer.

Providing needed health care services to justice-involved individuals can also save money. Another study from Washington State found that arrest rates fell 21 percent to 33 percent for adults connected to public programs for combating chemical dependency, compared with adults who needed but did not receive such treatment. This reduction in arrests saved local law enforcement, jails, courts, and state corrections agencies an estimated \$5,000 to \$10,000 per person treated.



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MAC reimburses state and local agencies for many activities that they already perform, including some that are relevant to public safety. For example, a probation officer who spends time monitoring his client's progress in a substance abuse treatment program may bill under the activity code for "Referral, Coordination & Monitoring." Time spent informing a client where to receive mental health treatment and helping schedule an appointment may be billed under the "Medicaid Outreach" code. Driving or arranging transportation for a client to a detox center for services may be billed under "Arranging Transportation to a Medicaid Covered Service." Even time devoted to assisting a client fill out a Medicaid application may be billed under "Medicaid Eligibility Intake."

There are several ways to bill for services. If a jurisdiction is billing under several activity codes, billing is submitted with a time study documenting billable time by activity code. This may be done in either a random moment study or a perpetual actual time study, depending on the state's system. If a jurisdiction is only claiming one activity code, it may charge directly for personnel and related costs.

Each state handles MAC participation differently. A jurisdiction interested in participating in MAC should start by contacting the state Medicaid agency. All public safety agencies—probation and parole, sheriffs, specialty courts, regular courts, public defenders, and prosecutors—can claim under MAC. A basic principle underlies each state's participation plan: Every local dollar—city, county, or state—spent on MAC goals per the reimbursable billing codes is eligible for a match of up to 50 cents from the federal government.

Benefits of Targeted Case Management

Targeted Case Management (TCM) is another underutilized federal Medicaid program that can help meet the needs of individuals in the criminal justice system. Although 48 states participate in TCM, few entities take advantage of it. TCM is designed to provide in-depth, person-centered case management services to qualified individuals. Increasingly, experts agree that preventive services like TCM lead to dramatic reductions in more costly forms of health care, including hospitalizations and stays at skilled nursing facilities.

TCM is a federal program that reimburses state and county agencies, local public entities, and contracted community-based organizations for costs incurred providing TCM services. Probation, parole, and other public safety entities typically qualify for participation. TCM covers four components of comprehensive case management: assessment, development of a care plan, referral and related services, and follow-up and monitoring.

This means that probation, parole, and other public safety entities can draw federal reimbursement for activities that they are already performing on a day-to-day basis. Time spent on any of the four TCM components as they relate to any county services is reimbursable. That includes time spent by a probation officer assessing a client's needs, writing up notes for the care plan, and referring out for public housing or mental health treatment.

If your state has not yet designated public safety agencies as eligible claiming units to receive TCM, [this sample State Plan Amendment \(SPA\)](#) is your first step. Although some details vary among states, you may use this sample to create a SPA for your state.

Conclusion

Probation, parole, and public safety entities are at a crossroads. They can move forward with the understanding that a significant portion of their population is now Medicaid-eligible and take action to claim for reimbursable activities that they are already performing on a regular basis. Or they can continue to rely on the old model, under which their revenue stream depends largely on the largesse of local and state bureaucrats.

TCM is an excellent fit for those who serve justice-involved populations. Probation officers, parole agents, and public safety personnel are already performing many of these reimbursable activities. The only thing they need to do in order to get reimbursement for eligible activities is record their time.

References

The Kaiser Commission on Medicaid and the Uninsured (September 2014), "Health Coverage and Care for the Adult Criminal Justice-Involved Population".