

**TO:** Local District Commissioners, Medicaid Directors

**FROM:** Judith Arnold, Director  
Division of Eligibility and Marketplace Integration

**SUBJECT:** Demonstration Project: Centralized Medicaid Application Process  
for Upstate Individuals Incarcerated in a New York State Department  
of Corrections and Community Supervision Facility

**EFFECTIVE DATE:** Immediately

**CONTACT PERSON:** Local District Support Unit  
Upstate (518) 474-8887 New York City (212) 417-4500

The purpose of this General Information System (GIS) message is to inform local departments of social services of the demonstration project with Clinton County and the New York State Department of Corrections and Community Supervision (NYS DOCCS).

To improve access to Medicaid for inpatient hospital services provided off the grounds of the correctional facility and benefits upon release, a demonstration project has been approved for processing Medicaid applications for Upstate individuals incarcerated in a NYS DOCCS facility. This process is being centralized under a Memorandum of Understanding with Clinton County Department of Social Services and NYS DOCCS.

Incarcerated individuals are not entitled to Medicaid payment of medical care, services or supplies received while physically residing in the correctional facility. However, these individuals are eligible for Medicaid payment of inpatient hospitalization services provided off the grounds of the correctional facility. The district of fiscal responsibility (DFR) immediately prior to incarceration remains responsible for any inpatient hospital claims paid while the individual is incarcerated.

Effective immediately, Clinton County will receive completed Access NY Healthcare (DOH 4220) applications and required documentation for Upstate individuals from the NYS DOCCS. The applications will be registered in the DFR. For reporting purposes, Clinton County will input an "I" (Inmate) into the Special Handling field when registering the case. Incarcerated individuals approved or denied through this process will be identifiable on WMS through a unique case number assigned by Clinton County that begins with the letters "IN" (Inmate). Districts are asked to not change the case number assigned by Clinton County. Medicaid eligibility will continue to be determined for the individual as a household of one.

If the Upstate incarcerated individual has active Medicaid coverage and benefits have not been suspended, Clinton County will notify the Upstate DFR to place the individual's Medicaid benefits in suspended status using Coverage Code 26 (Inpatient Hospital Only (Federally Participating)) or

Individual Status 08 (inactive) and Coverage Code 04 (no coverage), as appropriate. For instructions regarding manually suspending coverage for individuals eligible for Coverage Code 26, see 13 ADM-02, "Medicaid Payment of Inpatient Hospital Claims for Incarcerated Individuals and Individuals Age 21-64 Who Are Admitted to a Psychiatric Center." Individuals determined eligible for Family Planning Benefit Program (FPBP) only will continue to have their coverage suspended with Individual Status Code 08 (Inactive) and Coverage Code 04 (No Coverage). For instructions concerning manually suspending coverage for FPBP only individuals, see 08 ADM-03, "Maintaining Medicaid Eligibility for Incarcerated Individuals."

If an Upstate incarcerated individual is determined Medicaid ineligible, Clinton County will deny the application. Clinton County will issue the appropriate CNS denial notice to the incarcerated individual and his/her authorized DOCCS representative, if applicable, at the correctional facility. The denial will include Clinton County's contact information.

For individual's determined eligible, Clinton County will establish a case for the individual with suspended coverage in the Upstate DFR. Once the case has been established, the DFR will be responsible for the case. No undercare maintenance will be required by Clinton County. A copy of the completed application and documentation used in determining the incarcerated individual's eligibility will be forwarded by Clinton County to the DFR.

Two new manual acceptance notices have been developed for use by Clinton County. These manual notices will be issued to the incarcerated individual at the NYS DOCCS facility and will include the DFR's contact information.

Individuals determined Medicaid eligible will have their coverage suspended with Coverage Code 26 (Inpatient Hospital Only (Federally Participating)) using OHIP 0063 "Notice of Acceptance for Suspended Medicaid Coverage for Inmates of a New York State Correctional Facility". This manual notice informs the individual that Medicaid payment is limited to acute inpatient hospital care provided off the grounds of the correctional facility while residing in the correctional facility.

Individuals determined eligible for Family Planning Program benefits only will have their coverage suspended with Individual Status Code 08 (Inactive) and Coverage Code 04 (No Coverage) using OHIP 70 "Notice of Acceptance for Suspended FPBP Coverage for Inmates of a New York State Correctional Facility". These individuals are ineligible for Medicaid payment of inpatient hospitalizations. The manual notice informs that Medicaid payment cannot be made for medical care, services or supplies received while physically residing in the correctional facility.

At release, coverage will continue to be automatically reinstated for a period of five months (beginning on the first day of the release month) in the district where the releasee resided immediately prior to incarceration (DFR). For further information regarding reinstatement policies, see GIS 09 MA/010, "District of Fiscal Responsibility Rules for Former Inmates Whose Medicaid is Reinstated."