



North Carolina Department of Public Safety

Adult Correction and Juvenile Justice

Roy Cooper, Governor
Erik A. Hooks, Secretary

Todd E. Ishee, Commissioner of Prisons
Chris Holland, Deputy Secretary

MEMORANDUM

TO: Joint Legislative Oversight Committee on Justice and Public Safety
Joint Legislative Oversight Committee on Medicaid and NC Health Choice

FROM: Erik A. Hooks, Secretary *EAK*
Todd E. Ishee, Commissioner of Prisons *th*

RE: Federal Reimbursement for Medicaid Administrative Activities

DATE: October 1, 2019

Pursuant to Session Law 2019-135, Section 3.(b), by October 1, 2019, and quarterly thereafter until full implementation is achieved, the Department of Public Safety and Department of Health and Human Service shall jointly report to the Joint Legislative Oversight Committee on Justice and Public Safety and the Joint Legislative Oversight Committee on Medicaid and North Carolina Health Choice on progress in receiving federal reimbursement for performing administrative activities related to Medicaid eligibility for inmates.

Department of Public Safety (DPS) Prisons staff submit Medicaid applications as authorized/legal representatives on behalf of inmates, however DPS Prisons staff do not and cannot determine Medicaid recipient eligibility. The North Carolina Department of Health and Human Services (DHHS) has advised DPS that it is prohibited from receiving federal reimbursement for Medicaid administrative activities.

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NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**
Division of Health Benefits

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

DAVE RICHARD • Deputy Secretary, NC Medicaid

To: Joint Legislative Oversight Committee on Justice and Public Safety
Joint Legislative Oversight Committee on Medicaid and North Carolina Health Choice

From: Dave Richard 

Date: October 1, 2019

Subject: Session Law 2019-135

This memorandum is submitted pursuant to Session Law 2019-135 Section 3(a) and (b). This law seeks to improve inmate health reimbursement and internal processes.

Under current law, the Department of Public Safety cannot be reimbursed if its social workers perform administrative activities related to Medicaid eligibility for inmates because they are not authorized to make actual eligibility determinations.

Federal regulations stipulate that there be a single State agency for the Medicaid program (42 CFR 431.10) and that agency "is responsible for determining eligibility for all individuals applying for or receiving benefits..." (42 CFR 431.10(b)(3)). Our State Plan designates the Department of Health and Human Services as the single State agency.

State law vests the Secretary of the Department of Health and Human Services with the power and duty to administer and operate the Medicaid and NC Health Choice programs and delegate eligibility administration to the county department of social services. N.C. Gen. Stat. §§108A-54(e)(1 and 25(b). It does not permit the Secretary to delegate to any other entity. Since Department of Public Safety social workers are not authorized to determine eligibility their administrative activities are not eligible for federal reimbursement.

Additionally, internal processes at the Department of Public Safety would not be improved by submitting applications via ePass portal. Currently ePass portal does not have the capability to upload verifications or accept medical records electronically. Therefore, submission of an application in ePass would result in processing inefficiency since the application is not complete without the necessary medical records or other verifications. The administrative burden of matching electronic applications with separately mailed records would result in costly administrative burden and significantly delay the application processing times for inmates.

I am happy to address any questions that arise from this memorandum.

NC MEDICAID

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH BENEFITS

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