

1 HB112  
2 164673-1  
3 By Representative McClammy  
4 RFD: Ways and Means General Fund  
5 First Read: 03-MAR-15

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8 SYNOPSIS: Under existing law, the Alabama Department  
9 of Corrections, a county, or a municipality may not  
10 seek reimbursement from the Medicaid program for  
11 expenses related to the medical costs incurred for  
12 an adult who is incarcerated in a correctional  
13 facility, county jail, or municipal jail.

14 This bill would allow the Alabama Department  
15 of Corrections, a county, or a municipality to seek  
16 reimbursement from the Medicaid program for  
17 expenses related to the medical costs incurred for  
18 an adult who is incarcerated in a correctional  
19 facility, county jail, or municipal jail.

20 This bill would provide the procedure for  
21 applying for reimbursement of the costs.

22  
23 A BILL  
24 TO BE ENTITLED  
25 AN ACT  
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1           Relating to Medicaid and inmates; to allow the  
2   Alabama Department of Corrections, a county, or a municipality  
3   to seek reimbursement from the Medicaid program for expenses  
4   related to the medical costs incurred for an adult who is  
5   incarcerated in a correctional facility, county jail, or  
6   municipal jail and to provide the procedure for applying for  
7   reimbursement of the costs.

8   BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

9           Section 2. (a) Notwithstanding any other provision  
10   of law, the department, in conjunction with each county,  
11   municipality, and the agency, shall develop a process to  
12   maximize federal financial participation for the provision of  
13   acute inpatient hospital services rendered to individuals who,  
14   but for their institutional status as inmates, are otherwise  
15   eligible for Medicaid.

16           (b) Federal reimbursement for acute inpatient  
17   hospital services for inmates enrolled in Medicaid shall occur  
18   through the agency.

19           (c) (1) The commissioner of the department, in  
20   conjunction with the agency, shall develop a process to claim  
21   federal financial participation and to reimburse the  
22   department, county, or municipality for the federal share of  
23   the allowable Medicaid cost provision of acute inpatient  
24   hospital services rendered to inmates according to this  
25   section and for any administrative costs incurred in support  
26   of those services that shall be applicable to inmates  
27   incarcerated in county or municipal jails.

1           (2) Each hospital that renders service to an inmate  
2 shall invoice the department, county, or municipality to  
3 obtain reimbursement for acute inpatient hospital services in  
4 accordance with contracted rates of reimbursement or regular  
5 rate of reimbursement. The department, county, or municipality  
6 shall reimburse the hospital for the delivery of acute  
7 inpatient hospital services rendered to an inmate pursuant to  
8 this section. For individuals eligible for Medicaid pursuant  
9 to this section, the department, county, or municipality shall  
10 submit a quarterly invoice to the agency for claiming federal  
11 participation at the Medicaid rate for acute inpatient  
12 hospital services. The agency shall remit funds received for  
13 federal participation to the department, county, or  
14 municipality for allowable costs incurred as a result of  
15 delivering acute inpatient hospital services allowable under  
16 this section.

17           (3) The department, county, or municipality shall  
18 reimburse the agency counties for administrative costs that  
19 are not reimbursed by the federal government.

20           (4) The department, county, or municipality shall  
21 reimburse the agency for any disallowance that is required to  
22 be returned to the agency for any litigation costs incurred  
23 due to the implementation of this section.

24           (d)(1) The department, in consultation with each  
25 county and municipality in conjunction with the agency, shall  
26 develop a process to facilitate eligibility determinations for  
27 individuals who may be eligible for Medicaid.

1           (2) The department, county, and municipality, as the  
2 case may be, shall assist inmates in completing either the  
3 Medicaid application as appropriate and shall forward that  
4 application to the agency for processing.

5           (3) Notwithstanding any other state law, and only to  
6 the extent that federal law allows and federal financial  
7 participation is available, for the limited purpose of  
8 implementing this section, the department, a county, or  
9 municipality or their designee may act on behalf of an inmate  
10 for purposes of applying for or determination of Medicaid.

11           (e) Reimbursement pursuant to this section shall be  
12 limited to those acute inpatient hospital services for which  
13 federal financial participation pursuant to Title XIX of the  
14 federal Social Security Act is allowed.

15           (f) This section shall have no force or effect if  
16 there is a final judicial determination made by any state or  
17 federal court that is not appealed, or by a court of appellate  
18 jurisdiction that is not further appealed, in any action by  
19 any party, or a final determination by the administrator of  
20 the federal Centers for Medicare and Medicaid Services, that  
21 limits or affects the authority of the department, county, or  
22 municipality to select the hospitals used to provide inpatient  
23 hospital services to inmates.

24           (g) This section shall be implemented in a manner  
25 that is consistent with federal Medicaid law and regulations.  
26 The agency shall seek any federal approvals necessary for the  
27 implementation of this section. This section shall be

1       implemented only when and to the extent that any necessary  
2       federal approval is obtained, and only to the extent that  
3       existing levels of federal financial participation are not  
4       otherwise jeopardized.

5               (h) To the extent that the agency determines that  
6       existing levels of federal financial participation are  
7       jeopardized, this section shall no longer be implemented.

8               Section 3. This act shall become effective on the  
9       first day of the third month following its passage and  
10      approval by the Governor, or its otherwise becoming law.