

Federal Programs for Individuals – Impact of Incarceration

Included in the Department of Corrections' (SCDC) October 29, 2019 letter to the House Legislative Oversight Committee (LOC). This information was provided in response to the following question in LOC's October 8, 2019, letter to the Department of Corrections: "2. In regards to federal programs (e.g., SNAP, TANF, Medicaid, etc.), which continue while an individual is incarcerated and post-incarceration and which stop? Does SCDC have any recommendations on this topic and, if so, what is the basis for the recommendation?"

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- Once an individual is incarcerated for 30 days, or more, and convicted of a crime, benefits stop. Disability benefits will either be suspended or terminated. If an individual has been incarcerated for less than a year, benefits will go into suspension status, over a year or more of incarceration the individual will have to reapply. SNAP benefits cannot be received while incarcerated, however, can be reapplied for upon release. Section 115 of the Personal Responsibility and Work Opportunity Act of 1996 prohibits states from providing SNAP benefits to individuals convicted of drug felonies unless the state passes legislation to extend benefits to these individuals. All of the state/federal benefits are terminated once that individual has been convicted and sentenced to prison. Some benefits can be reinstated for spouses/children, but they would have to apply for those particular benefits.
- Medicaid allows that inmates who are hospitalized in South Carolina as an inpatient for more than 23 hours, as 23 hours or less is considered observation status, within a non-correctional community hospital, may be reimbursed at the inpatient Medicaid hospital rate. However, they must qualify for South Carolina Medicaid by meeting eligibility criteria to include either: Aged, Blind, Disabled, Pregnant (delivery) and Cancer diagnoses qualify for reimbursement as well.
 - The inmate must consent to the Medicaid application for the inpatient stay. Previously, approximately 2003 – 2010 under John Wilson of DHHS, the SCDC could consent on the inmate's behalf. Medicaid (DHHS) then changed/enforced the interpretation to require the actual individual inmate to consent, 2010 – present under Marcus Davis. This has caused fewer cases to be reimbursed as there have been some occasions of an inmate's refusal to sign the application. It would benefit the State of South Carolina both from simplicity of application process and financially to allow the SCDC to consent on behalf of the inmate for Medicaid application for inpatient reimbursement to ensure all cases for eligibility. Other state Medicaid systems allow correctional agency signature for consent, such as Indiana and Illinois, so it appears to be a state-specific interpretation rather than a federal mandate.

Recommendation: Given that South Carolina is not a Medicaid expansion state and only those individuals who meet very specific criteria may qualify for Medicaid inpatient reimbursement, applying for an 1115 waiver for expansion for inpatient services for the criminal-justice involved population while admitted for any inpatient service would greatly benefit the SCDC and the State of South Carolina as inpatient hospitalization is approximately \$10M annually. At present, Medicaid reimbursement accounts for an estimated 20-25% of that amount.