



# STATE OF NEW YORK DEPARTMENT OF HEALTH

Corning Tower      The Governor Nelson A. Rockefeller Empire State Plaza      Albany, New York 12237

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**LOCAL COMMISSIONERS MEMORANDUM**

**DSS-4037EL (Rev. 9/89)**

**Transmittal No:** 01 OMM LCM-4

**Date:** May 3, 2001

**Division:** Office of Medicaid  
Management

**TO:** Local District Commissioners

**SUBJECT:** Retroactive Federal Financial Participation (FFP)  
Reimbursement for Inpatient Medical Costs for Involuntarily  
Confined Individuals

**ATTACHMENTS:** None

The purpose of this Local Commissioners Memorandum (LCM) is to advise social services districts of recent statutory changes which remove State law restrictions on claiming reimbursement for inmates. Included in the recently enacted Emergency Spending bills was legislation authorizing local districts to file claims for retroactive federal financial participation (FFP) reimbursement for the costs of certain inpatient medical services provided to inmates of correctional facilities.

Correctional facilities are public institutions, which renders inmates ineligible for Medicaid services while incarcerated. Therefore, no FFP reimbursement has been available for medical services provided in the institution. However, Chapter 20 of the Laws of 2001 and the Revenue Maximization Project remove State law restrictions on claiming FFP for certain inpatient claims for involuntarily confined individuals. Specifically, the new law allows claiming for Federal funding, available only retroactively, for costs of inpatient medical care provided to inmates in certain facilities other than those in which they are confined. The new law does not, however, provide any opportunity for prospective claiming of such costs. This memorandum explains who is eligible, the claiming process, and reimbursement policies pertaining to inpatient medical claims for inmates.

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Eligibility of Individuals

Subject to the availability of FFP, local social services districts may claim reimbursement for inpatient medical services for individuals who are: (i) involuntarily confined or are residing in any correctional facility owned or operated by the New York City Department of Corrections; (ii) involuntarily confined or residing in any correctional facility owned or operated by a county or other municipality within a social services district; or (iii) confined or residing in a correctional facility operated under a contract with a county or a municipality other than a county.

Reimbursement will be made only for those inmates who were in receipt of or eligible for Medicaid at the time of their incarceration and who received inpatient services as described below.

**NOTE:** In accordance with 00 OMM/ADM-9, "Citizenship and Alien Status Requirements for the Medicaid Program", FFP is generally not available for care and services provided to an alien, who is a non-qualified alien or a qualified alien for a period of five years after the date status as a qualified alien is granted, that are not for treatment of an emergency medical condition.

Medical Services Provided to Inmates Eligible for FFP Reimbursement

County expenditures for medical services provided to inmates that are eligible for FFP reimbursement include only the following: (a) inpatient hospital services provided in a general hospital licensed in accordance with Article 28 of the Public Health Law; (b) nursing care and health related services provided while in a residential health care facility licensed in accordance with Article 28 of the Public Health Law; (c) inpatient hospital services provided to persons under twenty-one years of age while in a residential treatment facility for children and youth licensed in accordance with Article 31 of the Mental Hygiene Law; (d) inpatient hospital services provided to persons under twenty-one years of age while in an acute care psychiatric hospital established in accordance with Article 7 of the Mental Hygiene Law; (e) residential services provided while in an intermediate care facility operated by the Office of Mental Retardation and Developmental Disabilities in accordance with Article 13 of the Mental Hygiene Law or licensed in accordance with Article 16 of the Mental Hygiene Law. The rate of Federal Financial Participation is 50 percent; no State share is available.

Reimbursement is not available for medical services provided by or in (i) a facility operated by the State Department of Correctional Services; (ii) a facility operated by New York City Department of Corrections; (iii) a facility located in or on the grounds of a correctional facility owned or operated by a county or other municipality within a social services district; or (iv) a facility located in a correctional facility operated under a contract with a county, a municipality other than a county, or the State.

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Eligibility and Claims Documentation

Much of the information necessary to submit a claim(s) must be provided to the local social services district by the local jail or correctional facility. Districts must receive inmate specific information sufficient to establish the individual was in receipt of or eligible for Medicaid at the time of incarceration. Districts may claim gross expenditures up to the Medicaid rate for the service or facility. Regardless of the process used, eligibility criteria and cost data for the appropriate program area must be met and claims properly documented so that Federal review of claims will not result in claim denials for lack of proper documentation.

Claiming Process

Generally, expenditures are claimed by the local districts for reimbursement through documents referred to as "RF" or reimbursement forms. These documents serve to consolidate local district monthly net expenditures by program and/or funding source. They also serve to provide the State with certification statements signed by the appropriate local officials that certify expenditures were made in accordance with applicable laws and rules, and these costs were not previously claimed for reimbursement. This type of certification statement is required for the Department to initiate payment to the local district from the State Treasury.

Local social services districts should claim eligible costs for Medicaid reimbursement using the LDSS-3922 "Financial Summary for Special Projects" with the project name labeled "Inpatient Medical Costs for Involuntarily Confined Individuals." The LDSS-3922 should include only the gross expenditures with the appropriate Federal share noted. Please use line 11, placing gross expenditures in the Total column and the Federal share in the respective column. No State share is allowed to be claimed; only the gross expenditures and Federal share.

The original certified LDSS-3922 should be sent to:

OTDA  
Bureau of Financial Services  
PA Claims Processing  
40 North Pearl St., 14-A  
Albany, NY 12243

Claims may be submitted on a monthly or quarterly basis.

Reimbursement

All reimbursement will be retroactive. Federal funds will only be paid once Federal funds are actually received and claims are determined to be fully allowable. Local districts may submit claims retroactive for two (2) years

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for services provided through the period ending June 30, 2001. Districts may claim gross expenditures up to the Medicaid rate for the service or facility. The claims submitted by the State to the Federal government on behalf of social services districts will be submitted pursuant to Chapter 20 of the Laws of 2001 and accordingly are not eligible for State share reimbursement. The State will forward the full Federal share to the local districts when the FFP for these claims is received.

Effective Date

Local districts may begin submitting retroactive claims immediately for the two-year period ending June 30, 2001.

If you have any questions concerning this memorandum, please contact the Bureau of Local District Support: Upstate at (518) 474-9130 or NYC at (212) 268-6855. For questions related to this revenue project, contact Jeff Flora at (518) 402-0054. Questions specifically related to claiming or reimbursement should be directed to: Roland Levie at (518) 474-7549 for Regions I-IV or Marvin Gold at (212) 383-1733 for Regions II and VI.

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Kathryn Kuhmerker  
Deputy Commissioner  
Office of Medicaid Management