

Section 11 would allow an incarcerated person's cost of treatment for substance abuse or patient navigation by a social worker to be covered by Medicaid if a federal waiver or other federal authorization is obtained.

In Section 16, the bill requires a jailer to notify the Department for Community Based Services (DCBS) in CHFS when a county prisoner is incarcerated longer than 48 hours, and also to notify at least 48 hours prior to a county prisoner's release from incarceration (provided the prisoner is not held under a contractual agreement with the state or the United States government). If the prisoner is to be released in a period of time such that 48 hour notice cannot be given, then the jailer must notify DCBS "immediately."

The bill may have an indeterminate to moderate negative fiscal impact initially depending on the county, jail, and budget, but it may have a minimal to moderate positive fiscal impact depending on the federal waiver, county, jail, and budget for those jails that offer substance abuse treatment programs. Currently, Medicaid coverage is available for an incarcerated person only if that person is hospitalized for more than 24 hours. Under HB 1 GA, Medicaid coverage would also be available for non-hospitalized inmates who are receiving substance abuse treatment or social worker navigation services.

Nationally, it has been estimated that sixty-four percent of jail inmates have a substance dependence or abuse disorder. Under the oversight of the Kentucky Department of Corrections, twenty-two full service jails provide a total of thirty in-patient substance abuse programs (SAP) to 1,575 offenders, of which 185 are non-state offenders incarcerated in the jails. The estimated average cost of incarcerating a convicted felon participating in a SAP is \$45.70 per day. The Department of Corrections reimburses local jails the estimated average cost of \$31.34 per day plus an additional \$9 for the substance abuse program participation. Since the \$40.34 per diem pays for the estimated average cost of housing a convicted felon participating in a SAP, the per diem may be less than, equal to, or greater than the actual housing cost. Substance abuse treatment offered in jails with those services could be reimbursed at a higher rate by Medicaid than the amount received from the Department of Corrections for those services.

According to the Scott County Jailer, it would not be easy to track an inmate based upon the 48 hour timeframe. The jail would need computer software that could track the incarceration timeframes of all inmates and identify those who had been incarcerated for 48 hours and those who would be released within 48 hours. Jails may operate at the minimal staffing levels required by the Department of Corrections, and devoting manpower for this task would be an additional burden. It would take about 70 minutes each day to obtain the information and forward it to DCBS, although it might take longer for larger jails. If computer systems are not working, then the analysis would be done manually. The average hourly rate, including benefits, for staff time is \$25 per hour, which would apply either to running computer reports or manually reviewing files. There may be additional costs for reporting after hours, on weekends, and on holidays.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II, above, relates to HB 1 GA. **The fiscal impact of HB 1 GA has changed from that of HB 1 HCS 1.** HB 1 GA keeps most of the substantive provisions of HB 1 HCS 1 but makes the following significant change that relates to local governments (jails):

- allows an incarcerated person's cost of treatment for substance abuse or patient navigation by a social worker to be covered by Medicaid if a federal waiver or other federal authorization is obtained.

Data Source(s): LRC staff; National Center on Addiction and Substance Abuse at Columbia University, Behind Bars II: Substance Abuse and America's Prison Population, February 2010; Scott County Jailer; Kentucky Department of Corrections

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