Wisconsin Adopts Policy to Suspend Rather than Terminate Medicaid Coverage for Incarcerated Individuals

Enables Medicaid-eligible Individuals to have Health Care Coverage Immediately Upon Release

Madison -- Beginning October 24, Medicaid members who are incarcerated will have their health care benefits suspended and then re-evaluated before they are released from jail or prison.

Previously, Medicaid members had their coverage terminated upon incarceration, which often delayed their access to medical and behavioral health care following their release. The Department of Health Services (DHS) and the Department of Corrections (DOC) have been working with income maintenance agencies and community partners to make this policy change.

Delays in care can result in increased negative health outcomes and rates of re-arrest. According to the Kaiser Family Foundation, incarcerated individuals are more likely to have chronic physical and mental health conditions, serious mental illnesses, or substance use disorders. One study in another state found that, in the two weeks after their release, adults leaving jail or prison face a mortality rate that is 12.7 times higher than the rest of the adult population.

“This new policy will increase the likelihood of successful re-entry for Wisconsin residents into their communities,” said DHS Secretary-designee Andrea Palm. “Connecting incarcerated individuals to health care and other support services upon their release is critical to breaking the cycles of chronic homelessness, reliance on emergency care, and re-arrest.”

As of October 9, there were 20,983 incarcerated individuals supervised by DOC’s Division of Adult Institutions. In the 2019 Federal Fiscal Year, 9,585 people in Wisconsin were released from jail or prison, and nearly 70% of these individuals were eligible for a Medicaid program.

“It is our job to assist persons in our care in making the best possible transition back into society,” said DOC Secretary Kevin A. Carr. “By having a suspension rather than termination policy in place, we are providing them a better chance to successfully rebuild their lives when they return to their communities.”

“We recognized the need to hear different perspectives and we talked to many individuals and groups to get advice on how to get this right,” said Wisconsin Medicaid Director Jim Jones. “Having the right players at the table to inform our implementation of this policy helped us implement efficiencies, use best practices, and ensure that the voices of those affected most by this policy were heard.”
With the cost of health care services covered by Medicaid immediately upon an individual’s release, community organizations and free or low-cost clinics will no longer be responsible for the medical expenses incurred by Medicaid-eligible individuals who require care after release. Because Medicaid will pay for inpatient hospital expenses for inmates with suspended benefits, this policy should result in cost savings for the DOC and county jails.

Learn more about Medicaid in Wisconsin.