



Prison Inmates' Prerelease Application for Medicaid Take-up Rates in Oregon

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Executive Summary

People leaving prison often return to the community lacking health insurance and thus access to appropriate health care. Many have mental illness, substance abuse, and other health issues that need treatment and compound reintegration challenges. Left untreated, they are at risk of falling into a cycle of relapse, reoffending, and reincarceration. Providing Medicaid coverage upon release has the potential to improve continuity of care that may interrupt this cycle.

This report examines whether efforts to enroll people in Medicaid prior to their release from prison are successful in generating health insurance coverage after release. Urban Institute (Urban) researchers analyzed data from Oregon's pre-Affordable Care Act (ACA) Medicaid program to determine the extent to which released prisoners successfully gained coverage.

In 2010 and 2011, before their release, Oregon prison inmates could participate in a two-stage application process for the state's Medicaid program for childless adults and other low-income adults who did not qualify under traditional eligibility criteria. Under Oregon's Medicaid rules, prisoners may apply while incarcerated, but may not obtain coverage until after their release. Inmates, on average, were slightly more successful than the general population in enrolling. Only 22 percent of those who applied were denied—which was about half of the denial rate for applicants in general—as far fewer inmates were denied for income- or resource-related reasons.

The majority of inmates who participated in this application process had substance abuse or mental health treatment needs. The combination of low income and high treatment needs suggests that returning inmates are an important population to target for future Medicaid enrollment efforts.

However, the two-stage application process may have contributed to enrollment failure for inmates when the stages straddled their release from prison. The ACA simplifies this process and may increase the efficiency of efforts to enroll inmates as they return to the community.

Gaps in Health Insurance Coverage among Released Inmates Returning to the Community

Released inmates have higher health care needs than the general population—particularly for chronic mental health and substance abuse issues.¹ When left untreated, these chronic conditions can contribute to a cycle of relapse, reoffending, and reincarceration.² Yet, despite being poor, many released inmates have not traditionally been eligible for Medicaid, which only covered adults who were either very low-income parents or disabled. The Affordable Care Act's (ACA) expansion of Medicaid, for states that choose to participate, makes all adult citizens with incomes below 138 percent of the federal poverty level, including childless adults, newly eligible for coverage. Medicaid generally does not cover health services in prison, but many inmates will now qualify for Medicaid upon their release.³

Prior to the ACA, a few states, including Oregon, provided Medicaid coverage to childless adults with state funding or through federal waivers. Understanding Oregon's experience with enrolling inmates in Medicaid can provide an important preview of the potential for increased coverage availability under the ACA to address inmates' health care needs upon release, improve their social functioning, and interrupt a cycle of relapse and reoffending.

Oregon's Medicaid Enrollment Procedure for Childless Adults before the Affordable Care Act

Before the ACA, Oregon's Medicaid program—the Oregon Health Plan (OHP)—consisted of two separate programs. The OHP Plus program covered those categorically eligible for Medicaid, including children and parents, disabled adults, and the elderly up to certain income levels. The

OHP Standard program provided a limited number of slots to cover poor adults who were not categorically eligible or had incomes too high to be eligible for Medicaid and had assets valued at less than \$2,000.

Because resources for OHP Standard were limited, Oregon used a two-stage enrollment process. In the first stage, individuals registered online using a simple form for the chance to apply for Medicaid coverage. Some individuals were randomly selected and invited to apply for Medicaid coverage; this was done through a lottery process to fairly allocate the opportunity to apply. The frequency and number of invitations depended on program capacity;⁴ invited individuals were mailed a Medicaid application. In the second stage, invited individuals had 45 days from the invitation to submit a Medicaid application.⁵ The OHP then determined eligibility within another 45 days.

Oregon Department of Corrections' Prerelease Enrollment Process before the ACA

Prison inmates were eligible to participate in this two-stage process before their release into the community. Since 2010, transition coordinators at Oregon's eight primary releasing prisons⁶ have encouraged inmates, especially those with a medium- to high-risk of recidivism, to register for the OHP Standard program and assisted them in completing the application.⁷

Properly timing an inmate's registration for the OHP was important, because Oregon's Medicaid rules allowed people to apply from prison, but did not allow them to obtain coverage while they were still incarcerated.⁸ Transition coordinators encouraged individuals to register around four months before their release to maximize the odds of successful enrollment.

Study Design

We compared records from the Oregon Department of Corrections and the OHP Standard program to determine the extent to which individuals returning to the community from prison participated in and successfully gained Medicaid coverage through this two-stage process. We obtained a database of all 8,318 inmates released from prison between April 2010 and December 2011,⁹ and matched them to the OHP's database of all the individuals statewide who registered for the chance to apply for Medicaid. We identified those inmates who registered and compared their Medicaid enrollment outcomes to the general population. For each person who registered, the OHP database recorded if and when they were randomly invited to apply; if and when they submitted a Medicaid application; and their eligibility as determined by the agency.

In the course of matching released inmates' records to the OHP's database, we found that some registered for the two-stage enrollment process during their incarceration while others registered after release. Because this study is concerned with early post-release access to Medicaid, this report focuses on those inmates who registered during the six months before release as well as those inmates who registered during the six months after release.¹⁰

Oregon's Two-Stage Enrollment Process before the ACA

Stage 1

Register: Individuals sign up online for a chance to apply for Medicaid.

Invited to apply: The Oregon Health Plan randomly selects some of those who registered and invites them by mail to apply for Medicaid.

Stage 2

Apply: If invited to apply, a person submits a formal Medicaid application.

Granted or denied coverage: OHP reviews the application. Either the applicant's eligibility is verified and coverage is granted, or the applicant is found ineligible and coverage is denied.

Oregon's Prisoner Enrollment Experience

Registration

Between April 2010 and December 2011, 1,512 inmates registered for the state's Medicaid lottery process during their final six months in prison. This accounts for 18 percent of inmates released from the Oregon Department of Corrections during this period. Another 16 percent of released inmates (1,315) registered during the six months after their release from prison.¹¹

Table 1 presents demographic characteristics of released inmates who did and did not register for the OHP application process. In keeping with the demographics of Oregon's prison population, the individuals who participated in the OHP application process were typically white males in their mid-30s with prior convictions and had served close to 3 years in prison. At the same time, compared with released inmates who did not register, those who did register were significantly more likely to be female and white.

A majority of those who registered had been assessed as needing mental health or substance abuse treatment (58 percent of prerelease registrants and 55 percent of post-release registrants). The inmates who registered were more likely to need mental health or substance abuse treatment than other inmates who did not register (46 percent). At the same time, many inmates who needed mental health and substance abuse treatment did *not* participate in the OHP application process. Only 38 percent of the inmates who were assessed as needing such treatment registered for the chance to apply for Medicaid (data are not shown in table 1).

Table 1. Released Inmates Who Registered for the Oregon Health Plan

Demographics	Registered in 6 months before release^a	Registered in 6 months after release^b	All other inmates^c
Age at release (mean)	37 years*	37 years*	36 years
Under age 65	99%*	99%*	97%
Male	75%*	84%*	92%
White	83%*	82%*	70%
US citizen	98%*	99%*	89%
Criminal history			
Violent crime conviction	42%*	48%	46%
Property crime conviction	36%*	31%	30%
Time served in prison (mean)	32 months	34 months*	31 months
Prior prison incarceration	40%*	40%*	35%
Number of incarcerations	2.4	2.4	2.4
Mental health and substance abuse needs			
Substance abuse or mental health treatment needs	58%*	55%*	46%
Co-occurring substance abuse and mental health treatment needs	12%*	9%*	8%
Substance abuse treatment need	26%*	29%*	25%
Mental health treatment need	20%*	17%*	13%

Source: Urban Institute analysis of Oregon Department of Corrections data.

^a N = 1,512

^b N = 1,315; Includes 25 persons who registered on their date of release.

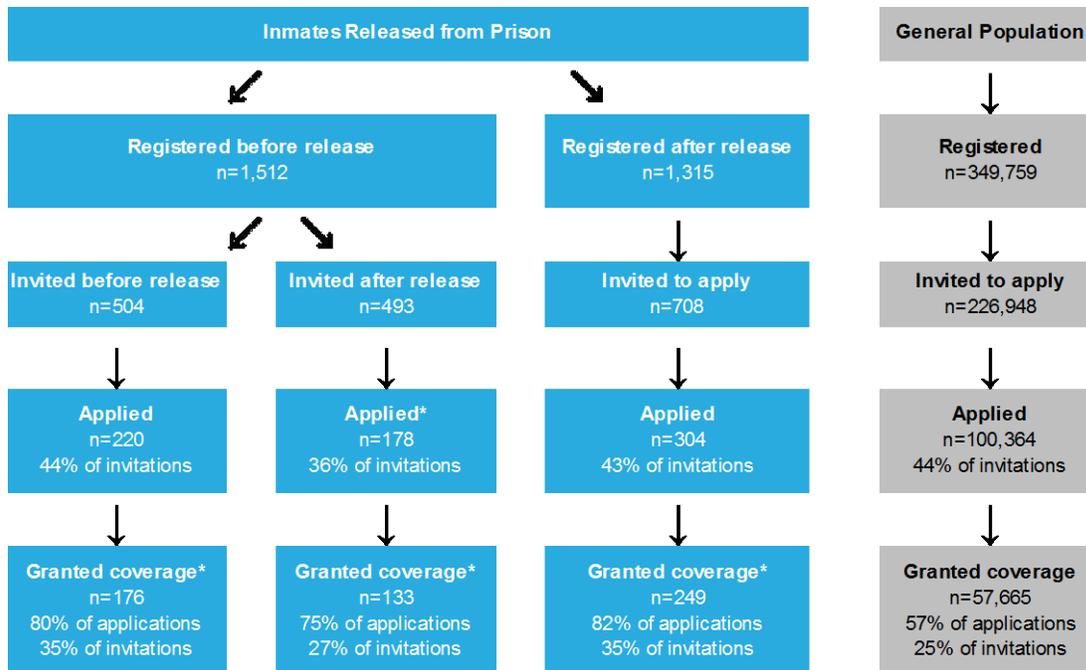
^c N = 5,491

* Significantly different from "all other inmates" at the 95 percent confidence level.

Invitation and Application

Among the inmates who registered during the last six months of their incarceration, 68 percent were randomly invited to apply; 504 individuals were invited before release and another 493 were invited after release (figure 1). This was similar to a 65 percent invitation rate among the general population who registered for the OHP.¹² By contrast, 54 percent (708) of the inmates who registered in the six months after their release were invited to apply; this is because post-release registrations occurred later in time, when fewer invitations were issued by OHP because there were fewer program slots available.¹³

Figure 1. Medicaid Enrollment Process and Outcomes



Source: Urban Institute analysis of Oregon Department of Corrections and Oregon Health Authority data.

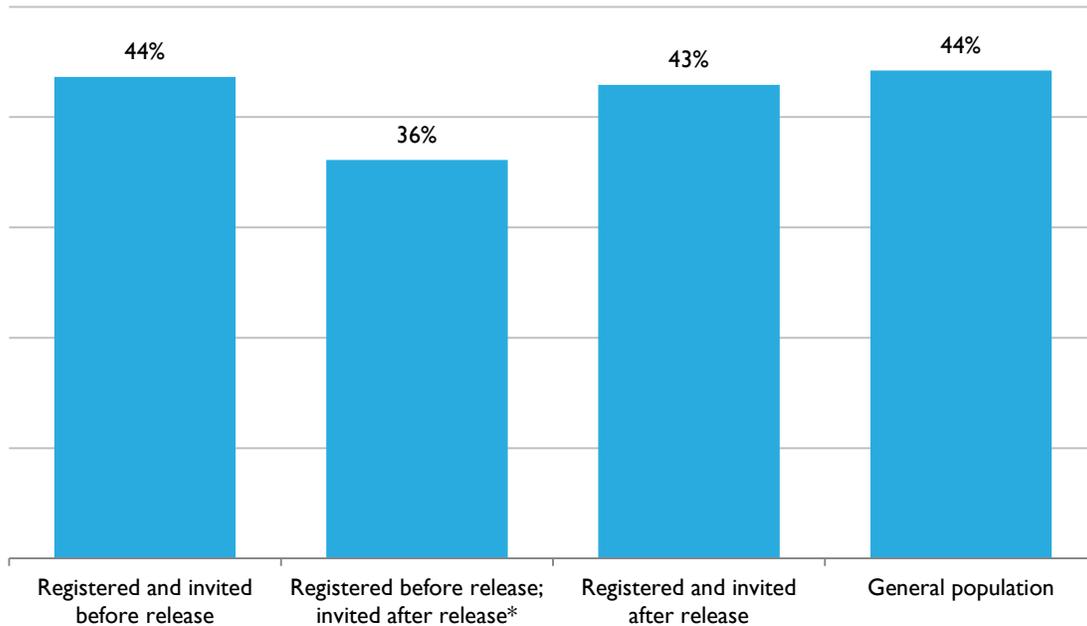
Note: General population statistics reflect the same time period as prerelease registrations (October 2009–December 2011), while post-release registrations are necessarily somewhat later (April 2010–June 2012). Post-release registrations occurred at a time when fewer people were invited to apply because of more limited program capacity.

* Significantly different from the general population at the 95 percent confidence level.

On average, 41 percent of invited inmates applied for Medicaid and, of these, 79 percent were found eligible and granted coverage.¹⁴ Inmates' application outcomes differed by the timing of their invitations, which depended on when they registered and the schedule of Medicaid lottery draws. Some inmates were invited before being released while others were invited only after their release.

In general, inmates who were invited to apply followed through with submitting applications at a rate similar to the general population (see figure 2). However, whether or not an inmate submitted an application depended on the timing of the invitation. Inmates who registered before release but were invited after release were less likely to apply than other prisoners and the general population.

Figure 2. Applied for Medicaid Coverage, if Invited



Source: Urban Institute analysis of Oregon Department of Corrections and Oregon Health Authority data.

* Significantly different from the general population at the 95 percent confidence level.

Obtaining Coverage

Once they did apply, 79 percent¹⁵ of inmates met the program’s eligibility criteria and were granted coverage. All inmates were significantly less likely to be denied coverage than the general population (see table 2), primarily because inmates less often exceeded the program’s income and resource limits (between 2 and 10 percent of inmates compared with 27 percent of the public).

Inmates’ applications were denied for two other primary reasons. Some individuals—especially inmates who both registered and were invited before being released—were denied coverage because they were still in prison when their applications were reviewed.¹⁶ Other applications were denied because they were received after the deadline (45 days after the invitation).

Once invited to apply, inmates were, on average, more successful than the general population in obtaining Medicaid coverage (figure 3), because they were more likely to be poor. On average, 33 percent of invited inmates¹⁷ obtained coverage compared with 25 percent of those invited in the general population. However, this best describes those inmates who could complete both stages of the enrollment process in the same place—either they registered and were invited in prison or they registered and were invited in the community after release. These inmates submitted applications at the same rate as the general population, and were less likely to be denied for having income or resources that exceeded the program limits. However, inmates had more difficulty in obtaining coverage when the two stages of the process spanned their release, mainly because they were less likely to submit the Medicaid application. Inmates who registered in prison but could not apply until after release obtained coverage at a rate similar to the general population.

Table 2. Applications Granted and Denied Coverage

	Inmates registered in 6 months before release		Inmates registered and invited in 6 months after release	General population
	Invited before release	Invited after release		
Number of applications	220	178	304	100,364
Granted coverage	176 (80%)*	133 (75%)*	249 (82%)*	57,665 (57%)
Denied ^a	44 (20%)*	45 (25%)*	55 (18%)*	42,269 (42%)
Reasons for denial^b				
Resides in public institution	10%*	0%	1%*	0.1%
Application deadline passed	10%	12%	8%	12%
Income/resources ^c	2%*	10%*	7%*	27%
Other reasons	1%	4%	2%	3%

Source: Urban Institute analysis of Oregon Department of Corrections and Oregon Health Authority data.

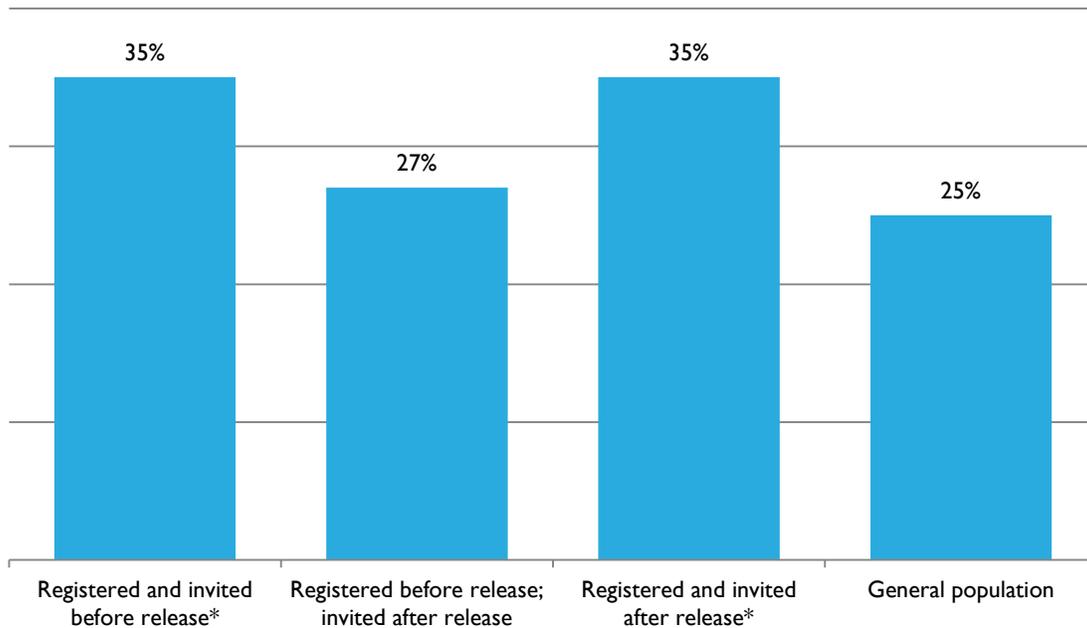
^a A small number of applications were held as pending. As a result, the number of applications granted and denied coverage may not sum to the total.

^b Because some applications were denied for multiple reasons, individual reasons for denial may sum to more than the percent of applications denied.

^c Income/resources includes excessive income, family with income, and excessive resources.

* Significantly different from the general population at the 95 percent confidence level.

Figure 3. Successfully Obtained Medicaid Coverage, after Being Invited to Apply



Source: Urban Institute analysis of Oregon Department of Corrections and Oregon Health Authority data.

* Significantly different from the general population at the 95 percent confidence level.

Conclusions

More than one-third of Oregon prison inmates who were released into the community registered for a chance to receive Medicaid coverage in the Oregon Health Plan (OHP) Standard program, which used a statewide lottery process to fill its limited number of program slots. Among those who were invited to apply (based on a random draw of registrants), inmates were often as likely as

the general population to submit applications for Medicaid and, once they applied, were more likely to obtain coverage. This primarily reflects fewer denials on the grounds of having income or resources beyond the program's limits. These findings suggest that a sizeable share of inmates is interested in Medicaid coverage, and efforts to enroll them upon release may yield similar or greater rates of coverage compared with the general Medicaid-eligible population.

Given that inmates returning to the community have considerable mental health and substance abuse treatment needs, targeting soon-to-be and recently released prisoners provides an important opportunity to provide coverage to a high-need population, and offers potential public health and public safety benefits. The study found that inmates with mental health and substance abuse treatment needs were more likely to participate in the OHP enrollment process.

The timing of the invitation process for inmates mattered and affected their likelihood of submitting the Medicaid application. After registering in prison, inmates who were invited to apply before their release were more successful in obtaining coverage than those who were only invited after release. Applying for Medicaid during the transition to the community, without the support of transition coordinators, may have been especially challenging for former inmates. Housing instability among reentering offenders also may have interfered with completing the process, if some invitations failed to reach those whose post-release mailing addresses differed from the addresses given at registration. By contrast, inmates who registered in the six months after being released had application rates similar to those who had been invited while still in prison.

The two-stage process, combined with an application deadline, was difficult for those being released from prison. Applicants were required to submit their paperwork within 45 days of the invitation; applications were reviewed by the Oregon Health Authority within 45 days of submission. Applying too early before release increased the chance that the review would occur before release, leading to a denial because the inmate was in a public institution. But, for those who registered in prison, being invited only after release reduced the chances of actually completing the application on time—or of completing the application at all.

Oregon's expansion of Medicaid under the Affordable Care Act (ACA) eliminates this two-stage process and removes the deadline for application. These changes should facilitate a more effective process for enrolling inmates as they are released. At the same time, inmates may also benefit from additional supports in applying for Medicaid and health exchange coverage in the wake of the ACA as they transition back to the community.

Future Directions

We need to learn more about what happens to released inmates after they enroll in Medicaid. Does successful enrollment in Medicaid lead to increased use of health care after release? Does this then interrupt a cycle of relapse, reoffending, and reincarceration? The Urban Institute is tracking these Oregonian inmates' outcomes for one year after release. A future report will address these questions.

Notes

1. National Commission on Correctional Health Care 2002.
2. Mallik-Kane and Visser 2008.
3. Council of State Governments 2013.
4. Invitees were randomly drawn 30 times between October 2009 and June 2013. In 2010, 13 draws were conducted, averaging 14,500 invitations. Fewer invitations were made subsequently (in 2011, nine draws, averaging 3,800 invitations each; in 2012, five draws, averaging 1,200 invitations; in the first half of 2013, two draws, averaging 1,200 invitations.)
5. An invitation constituted a “date of request” and thus officially began an individual’s application period.
6. These eight prisons accounted for over 80 percent of Oregon prisoners released during the study period.
7. Transition coordinators focused their efforts on inmates who were assessed as having a medium to high risk of recidivism. Registrations were initially completed on paper forms. By May 2011, registrations were done through computer kiosks. At that time, other inmates were also able to register for the OHP during their last six months in prison, including those with a lower risk of recidivism and those in facilities without transition coordinators.
8. If an inmate’s application was approved before release, he or she would not be enrolled, and the inmate would need to begin the process again. This was a rare occurrence.
9. Includes 91 inmates who were released, subsequently re-incarcerated, and re-released. We conducted our analysis on all 8,318 person-releases both with and without adjustment for this duplication and found that the results were similar.
10. Prerelease registrations for the OHP process occurred between October 2009 and December 2011. Post-release registrations were between April 2011 and June 2012.
11. The analysis was restricted to these two groups to focus on early post-release access to Medicaid. An additional 18 percent of inmates (1,532) registered either before or after this year surrounding their release. Of these, 565 registered before the six-month prerelease planning period, which was deemed too early because they risked denial on the grounds of still being incarcerated. The remaining 932 registered more than six months after release, outside of the study’s focus on early access to Medicaid.
12. Statistics on the general population were generated using data from OHA for the same time period as inmate registrations (October 2009–December 2011). The general population statistics reported here are similar to those published Finkelstein and colleagues (2011).
13. Post-release registrations occurred between April 2010 and June 2012. The invitation rate during this period was significantly lower than the October 2009–December 2011 period when prerelease registrations occurred ($p < 0.0001$).
14. Forty-one percent of all invited inmates submitted a Medicaid application; this included 220 who registered and were invited before release, 178 who registered before release but were invited after release, and 304 who registered and were invited after release. Of all inmates who applied, 79 percent were found eligible and granted coverage; this included 176 who registered and were invited before release, 133 who registered before release but were invited after release, and 249 who registered and were invited after release.
15. See note 14.
16. A few inmates (1 percent) who initiated the process after release were also denied for this reason, presumably because of being reinstitutionalized.
17. After following through with the completion of a Medicaid application and eligibility determination by OHP, 33 percent of all invited inmates obtained coverage. This included 176 who registered and were invited before release, 133 who registered before release but were invited after release, and 249 who registered and were invited after release. The denominator is all invited inmates, which included 504 who registered and were invited before release, 493 who registered before release but were invited after release, and 708 who registered and were invited after release.

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