



Children, Families, Health, and Human Services Interim Committee

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63rd Montana Legislature

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July 1, 2014

The Honorable Jon Tester
706 Hart Senate Office Building
Washington, DC 20510

Dear Senator Tester,

The Children, Families, Health, and Human Services Interim Committee has spent the past year studying Montana's mental health system and the mental health services provided in the state's institutions, including the state's prisons.

During the study, committee members have learned about the federal prohibition on using federal Medicaid funds for medical services for inmates while they are in a correctional setting. The Medicaid program will pay for medical services provided to qualifying inmates only when those services are provided outside of an institutional setting and for a period of 24 hours or more.

Health care costs for prison inmates make up a significant portion of the budget for the Montana Department of Corrections. According to the department's 2013 biennial report, the agency spent nearly \$13 million on the medical, mental health, and treatment needs of adult and juvenile offenders in institutional settings.

Those costs were covered entirely by state general fund dollars. Had the offenders been eligible for Medicaid, the state would have paid about one-third of that amount, or \$4 million, while federal Medicaid funds would have covered the remainder.

Because correctional health care costs create a strain on the Montana state budget, our committee agreed to ask members of the Montana congressional delegation to support a change to federal laws and rules that prevent the use of federal Medicaid dollars for medical care provided to inmates in a public institution.

We hope you'll give favorable consideration to this request.

Sincerely,

Sen. Dave Wanzenried
Presiding Officer

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