A person who enters the prison or jail system in the U.S. is automatically ineligible to qualify for the Affordable Care Act and any Medicaid coverage they may have had is discontinued. But a new piece of legislation passed at the end of last month could expedite the process to receiving healthcare once they are released.
House Bill 437 is not only set up to provide a faster means of getting insurance for former inmates, but also create an alternate diversion path with treatment to bypass prison altogether.
The bill, which will cover about 16,000 people statewide, applies to inmates and certain low-income individuals and parents as well.
“The population that we’re providing coverage for are those who have mental health issues from substance abuse and they need treatment when they leave jail,” said James Dunnigan, R-Taylorsville, the bill’s sponsor House Majority Leader James Dunnigan. “The idea is we provide treatment that will help them be stable and hopefully get to a point where they can get employed.”
Dunnigan’s bill also makes it possible for those who have Medicaid before being incarcerated to only suspend their insurance while in jail. It could later be reactivated once they are freed.
Currently, anyone who is convicted of a crime and incarcerated is not able to be covered under the ACA, commonly known as Obamacare, because they are not eligible to buy private insurance through the marketplace while in prison.
However, because inmates cannot be covered under the ACA they do not face the penalty fines that would normally be enforced on someone who does not have insurance, either under the ACA or another insurance provider.
Prisons and jails in the U.S. are required to provide a way for inmates to receive health services, which could include contracting out medical providers like Washington County’s Purgatory Correctional Facility.
The Hurricane jail has nurses on call 24/7 that carry out the treatment plans of the contracted physician and dentist, who are paid a monthly salary, according to Washington County Sheriff’s Office Chief Deputy Jake Schultz.
“If nurses can treat it, then they will,” Schultz said. “If it’s something that goes above their certification or their training they forward it to a doctor.”
Schultz said the jail’s physician comes in two or three times a week and does a sick call to visit with inmates who have put in a request that is usually completed after a consultation.
According to Jason Stevenson, Utah Health Policy Project education and communications director, when those prisoners are taken care of through a correctional facility, the expense is directly linked to the county or state.
Trying to better allocate the costs, the Congressional Budget Office made a projection in a benefit-cost analysis looking at expanding Medicaid where the federal government covered 90 percent of the cost and the state 10 percent.

The full-expansion scenario has not yet become reality and Utah is presently using a model where 70 percent of costs are paid by the federal government while the rest is picked up through state-funding, according to RyLee Curtis, UHPP senior policy analyst.

“We may see some...inmate exemption savings but taxpayers are going to have to pay 30 percent,” Curtis said.

This is where Dunnigan’s bill comes into play once again by creating a similar setup with the healthcare expansion where Utah hospitals have agreed to pay 45 percent of the state’s share, which would result in Utah paying about $15 million.

Dunnigan said that would draw out about $70 million in federal funding.

And it’s that funding that will go toward those inmates who have served their term and are looking for insurance as they will either need health coverage, pay the fee or get an exemption.

It’s the during post-prison time period that many fall into the wage gap that makes them ineligible for the ACA.

“Those people could sign up for the Affordable Care Act as soon as they get out of jail but you’d need an income over 100 percent of poverty, which is about $11,700 a year,” Stevenson said. “Unless they get a job right away and can kind of predict an income they won’t qualify.”

Southwest Utah Community Health Center CEO Lori Wright said because of that very reason they try to help recently-released people by writing grants to get them covered by an insurance plan.

Wright said the center partners with SwitchPoint in order to assist with setting up an insurance plan.

And while those people who have left prison can start over with insurance, Dunnigan would like to prevent them from even going to prison in the first place.

That’s why the bill includes a provision where a person who has gone to court can receive treatment and bypass going to jail.

“I would actually rather get to them before they go in jail,” Dunnigan said. “...you’ve done something that’s violated the law but with treatment we think you can get back on the right path.”

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