



**State of Florida
Department of Children and Families**

Ron DeSantis
Governor

Taylor N. Hatch
Secretary

DATE: April 15, 2026 **TRANSMITTAL NO.:** P-26-04-0002

TO: Economic Self Sufficiency Operations Managers
Economic Self Sufficiency Program Offices

FROM: Julie Reed, Chief, Program Policy
Andrea Latham, Information Technology
(Signatures on File)

SUBJECT: Suspension and Reinstatement of Medicaid Eligibility and Coverage for
Residents of Public Institutions

EFFECTIVE: Upon Receipt

This transmittal provides the policy and procedures for the system enhancements to suspend and reinstate Medicaid eligibility and coverage for residents in a public institution. For Medicaid, residents of public institutions remain eligible, and the coverage is suspended during the incarceration. When the resident is released, the coverage must be reinstated. Public institutions are correctional facilities and state mental health institutions.

For Food Assistance (FA) and Temporary Cash Assistance (TCA), adverse action must be taken when incarceration and institutionalization are reported for the Assistance Group (AG).

This transmittal Obsoletes the following transmittals: P-00-01-0003, P-02-05-0046, I-04-02-0002, P-08-07-0006, P-11-05-0005, I-12-01-0002, I-12-03-0005, I-13-02-0002, I-13-05-0006, C-13-08-0004, C-13-09-0005 and I-21-01-0003.

Background

On December 23, 2025, the Centers for Medicare & Medicaid Services (CMS) issued a Center for Medicaid and CHIP Services (CMCS) Informational Bulletin to remind states not to terminate eligibility and coverage when the individual is an inmate of a public institution. Federal regulations define a public institution as an institution in which a governmental unit exercises administrative control. Individuals of any age are inmates of a public institution if the individual is in custody and held involuntarily through operation of law enforcement authorities.

The confinement of an individual in a public institution does not render an individual ineligible for coverage; policy passages 1430.1103 and 1440.1103.

Policy

Correctional facilities and institutions for mental illnesses (IMD) are examples of public institutions that are operated by federal, state, or local governments. This includes state hospitals that are mental health treatment facilities.

Medicaid

Applications received for residents of a public institution must have the determination of eligibility completed based on the requirements for Technical, Income and Assets to qualify for Medicaid coverage. If the individual meets all eligibility requirements, coverage must be authorized and suspended.

Residents of public institutions meet the Residency requirement (even if incarcerated in an out of state facility) unless the crime is committed in another state and is incarcerated by that state.

Food Assistance Only and/or Combination Cases

An individual who is institutionalized or incarcerated is ineligible to receive benefits in TCA and/or FA regardless of Simplified Reporting Requirements. Adverse action must be taken to remove the individual and/or close the benefits when notification is received from one of the sources (client reported, Department of Corrections [DOC], Department of Juvenile Justice [DJJ] or Data Exchange).

System Enhancements

Timesaving Innovation Process (TIP) for DJJ

The Department receives data from the Agency for Healthcare Administration (AHCA) regarding youth in the custody of DJJ. For non-CIC youth who are in DJJ custody, TIP will scan a set of criteria to determine if the Medicaid suspension can be automatically processed.

- If TIP **can** automatically process the suspension, no staff intervention is required.
- If TIP is **unable** to automatically process the suspension, a Change Work Item (Application Source “Incarceration”) will be created in the Worker Portal, and the coverage must be suspended based on the steps in the **Procedures** section outlined below.

When DJJ reports a child has been released from their custody, a Work Item will be created and assigned to complete the **Reinstatement** of Medicaid.

Staff must check the Comments section of the Work Item to determine the appropriate action to take.

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Transaction Log	Related Work Items (1)	Related Documents (0)	Comments
Created Start Date	Created End Date	Filter Search	New Comment
Created Date	Created By	Comments	

Reminder Note for DOC: Department of Corrections records (“DOC Cases Requiring Follow Up”) reporting incarceration and release dates continues to be available in the ACCESS Online System under Data & Reports.

ACCESS - Data and Reports

Home Reports Work Due My Changes My Calls Admin Case Number

- Production -

REMINDER: Updated reports are scheduled to be posted each business day by 8 AM ES

Report Type

- ☐ Daily Reports
- ☒ Weekly Reports
- ☐ Monthly Reports
- ☐ My Account Reports
- ☐ Electronic Applications Reports
- ☐ Access Integrity Reports
- ☐ AMS Reports
- ☐ SPS Reports
- ☐ Statistical Reports
- ☐ Call Centers and ARU Reports
- ☐ Community Partners Reports
- ☐ Medicaid Eligibility System Reports

Weekly Reports

- ☐ Application Approved Days to Process
- ☐ Application Disposition
- ☒ DOC Cases Requiring Follow Up
- ☐ Food Stamps Application Compliance
- ☐ Pending Disability Applications

Procedures

Suspension and Reinstatement Procedure: Adults and Youth

Suspension Procedure:

- On AIC, when an adult or child is reported as institutionalized or incarcerated, use Living Arrangement Type “02” (Public Institution) or code “41” (Incarcerated).
 - Code “02” is for Public Institutions and adds “INELIGIBLE DUE TO INCARCERATION” to Case Notes.
 - Code “41” requires Temporarily Absent Reason “IN” (Incarcerated) as well as the Temporarily Absent Begin Date and verification code.
- On AGCC, if the individual is eligible or remains eligible for Medicaid, coverage will PASS with “066” (INDV SUSPENDED DUE TO INCARCERATION OR INSTITUTIONALIZATION).
- On AWAA, reason code “066” will pre-populate. Approve or re-approve coverage with reason code “066”.
- On IQEL, the new SUSP INDV column indicator will show “Y” to reflect an individual’s Medicaid has been suspended due to institutionalization or incarceration.

Note: The FLORIDA system was modified to exclude individuals who are incarcerated or residents of State Mental Health Institution from the assistance groups with Food and/or Cash benefits.

Reinstatement Procedure:

- On AIIIC, when an adult or child is reported as released, update the Living Arrangement Type with the appropriate code and release date.
 - If there is a Temporarily Absent Begin Date due to institutionalization or incarceration, use the reported release date in the Temporarily Absent End Date field.
- The previously institutionalized or incarcerated individual will either PASS, PEND, or FAIL eligibility.
- Authorize coverage using the appropriate reason code. If the individual remains eligible, the SUSP INDV column indicator will change to "N".

Suspension & Reinstatement Procedure: Youth (Child-In-Care (CIC) only)

Suspension Procedure:

- On AIIIC, if a CIC child is reported as institutionalized or incarcerated, use Temporarily Absent Reason "IN" with the incarceration date as the Temporarily Absent Begin Date. CIC coverage will continue to pass.
- On AWAA, manually enter reason code "066" in the first field and "040" in the second.
- Suspension will not be indicated on IQEL for CIC cases.

Reinstatement Procedure:

- On AIIIC, when a CIC child is reported as released, enter the release date under the Temporarily Absent End Date.
- The previously incarcerated youth will either PASS, PEND, or FAIL eligibility.
- Authorize coverage using the appropriate reason code.

Reminder: all actions taken must be recorded in the Case Notes section of the Worker Portal.

Notices

When a Medicaid AG is approved with reason code "066", the following text will populate on the Notice of Case Action:

"We have reviewed your Medicaid eligibility, and it has been reported to the Department of Children and Families (DCF) that one or more individuals in your household is incarcerated or institutionalized. If this is not correct, please call us immediately at the phone number given below."

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“Medicaid eligibility may continue for individuals while they are incarcerated or institutionalized, but Medicaid will not pay for medical care while they are incarcerated or institutionalized. It is important that you let us know once they are released so we can update your case to see if they still qualify for Medicaid.”

Regional Program Offices with policy questions related to this transmittal should submit them through the Policy Technical Assistance Request page. For system-related questions, regional offices may contact Laquetta Anderson at Laquetta.Anderson@myflfamilies.com.

cc: Assistant Secretary for Economic Self-Sufficiency (Bridget Royster)
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