

Access to Health Insurance in a SNAP

On March 27, 2014, Governor Maggie Hassan signed SB 413 into law, creating the New Hampshire Health Protection Program, a publicly-funded health insurance program for adults with incomes at or below 138 percent of the federal poverty level or about \$16,100 for a single person this year.ⁱ The program is expected not only to provide affordable health insurance to as many as 50,000 Granite Staters, but also to produce noticeable savings within the state budget.ⁱⁱ

Since the amount of savings depends on the number of people who take part in the program, the task now before state policymakers is to enroll as many eligible adults as possible in a relatively short span of time. Fortunately, options are available for achieving those ends efficiently and effectively, making the best use of state resources while ensuring that only those qualified to benefit from the program actually do so.

In particular, New Hampshire could use data it currently collects and verifies in administering the federal Supplemental Nutrition Assistance Program (SNAP) to identify and to enroll eligible adults into the Health Protection Program. A handful of other states – Arkansas, Illinois, Oregon, and West Virginia – are already using this streamlined approach with impressive results. New Hampshire should take advantage of these same strategies to enroll individuals eligible for the Health Protection Program, thereby maximizing budgetary savings, minimizing strains on state resources, and quickly providing affordable health insurance coverage to thousands of low-income adults.

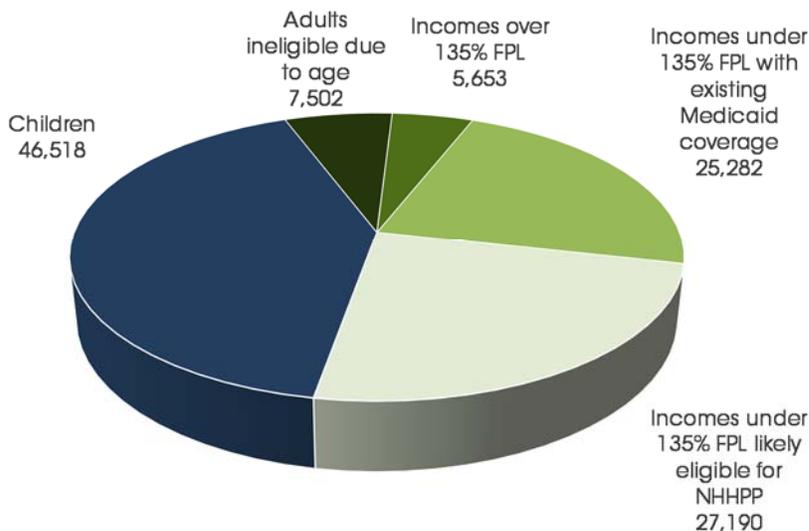
Many SNAP Recipients Likely Eligible for Health Protection Program

The Supplemental Nutrition Assistance Program (SNAP), also known as food stamps, is a federal program that provides low-income individuals and families assistance in purchasing food. In New Hampshire, gross income eligibility for SNAP can range up to 185 percent of the federal poverty level (FPL) – or \$36,615 for a family of three in 2014. The average monthly per person SNAP benefit was \$115.76 in New Hampshire in FY13.ⁱⁱⁱ SNAP benefits are provided through an electronic benefit transfer (EBT) system that provides participants with a debit card for use in purchasing food. A household's monthly allotment is electronically transferred to an account created specifically for SNAP benefits. The amount of any purchase is deducted from the account as a debit at the time of the transaction.

Through the end of April, roughly 112,000 New Hampshire residents participated in the SNAP program. Of that total, 41 percent were children and 59 percent were adults, as the figure below illustrates. The adult SNAP population includes adults over age 65, adults with disabilities, adults caring for dependent children, and some childless

adults, though most are in families of two or more people. Adults without children can receive SNAP benefits only if they work or participate in work-related activities; even so, they are permitted to receive benefits only for a limited period of time.

Many SNAP Recipients Likely Eligible for NH Health Protection Program
New Hampshire SNAP Recipients, April 2014, by age, income level, and health insurance status



Source: NHFPI calculations based on data from NH Department of Health and Human Services

While individuals with incomes as high as 185 percent of FPL can qualify for SNAP, the vast majority of those now receiving benefits in New Hampshire have incomes substantially below that level. As a result, a sizable share of SNAP participants are probably also eligible for the Health Protection Program.^{iv} More specifically, as of April 2014, 90 percent of New Hampshire adult SNAP recipients had incomes at or below 135 percent of FPL – that is, below the

income cutoff for eligibility for the Health Protection Program. In fact, recent data from New Hampshire’s Department of Health and Human Services (DHHS) show that roughly 59,000 adults currently receiving SNAP have incomes below 135 percent of FPL – placing them squarely in the income eligibility range of the Health Protection Program. After controlling for adults within these income ranges who are ages 19 through 64 and who are not currently receiving Medicaid, the number of adults who are likely eligible for the Health Protection Program presently in the SNAP program rests at around 27,000. In other words, the state already has a simple and efficient way to identify and to communicate with a large number of adults who are likely eligible for the Health Protection Program.

SNAP Application Process Uses Broader Income Definition than the Health Protection Program

In order to receive SNAP, individuals and families go through a rigorous application and review process, as New Hampshire conducts two levels of eligibility review for the benefit programs it administers. The initial eligibility review cross matches the data it collects with several federal databases and two state databases, in addition to conducting third-party verification of income, residence, and financial assets. DHHS’ Office of Improvement and Integrity also conducts post-eligibility reviews of randomly selected SNAP recipients. In addition, the United States Department of Agriculture, which oversees SNAP at the federal level, conducts post-enrollment quality control review of a subsample of enrollees to check for accuracy.

While the SNAP program uses a different measure of income for determining eligibility than the one that will be used for the Health Protection Program, it is the broader of the two, making it more likely that SNAP recipients will qualify for the Health Protection Program. The measure of income that will be used to determine eligibility under the Health Protection Program will be based on Modified Adjusted Gross Income (MAGI), which individuals calculate in filing their federal tax returns, plus Social Security benefits and any foreign income or tax-exempt interest that they receive. MAGI includes earned income such as salaries, wages, and tips, and unearned income such as unemployment benefits and bank interest. SNAP counts both earned income (before payroll taxes and after pre-tax benefits are deducted) and unearned income, but does so from all household members and sources.

New Hampshire Can Use SNAP to Identify, Verify, and Enroll Those Eligible for the Health Protection Program

Identification of the Newly Eligible

One option available to New Hampshire for using SNAP to facilitate participation in the Health Protection Program is to review the current SNAP caseload of adults by income range and Medicaid enrollment to identify people likely eligible for the Health Protection Program. DHHS could then reach out to those individuals to notify them about the program and provide them with application information. As noted above, the vast majority of SNAP adults have gross income below the threshold at which adults would be income eligible for the Health Protection Program.

Streamlined Verification

New Hampshire could take streamlined enrollment one step further and eliminate the need for workers to conduct a separate income determination process with the SNAP identified eligible population. Under this option, the state would apply for an expedited waiver from the federal government that would allow it to rely on the income determination procedures SNAP adults have already completed.^v Targeted SNAP adults – those ages 19 through 64 who are not currently receiving Medicaid and have incomes below 135 percent of FPL – would be assumed to have cleared income determination steps for the Health Protection Program.^{vi}

The state could then send a streamlined Health Protection Program enrollment form to those targeted individuals. The streamlined form would serve a number of purposes: it would confirm non-financial information about eligibility, such as citizenship and immigration information; it would obtain a signature confirming the individual wants the insurance coverage; and it would inform the individual of his or her rights and responsibilities.^{vii} Such a form would also offer an opportunity for the state to request additional information, such as whether the individual has access to employer-sponsored insurance, and thereby begin to screen enrollees for the component of the the Health Protection Program that requires them to use available employer-sponsored insurance so long as it is cost effective.^{viii}

Simplified Enrollment

After receiving the streamlined enrollment forms, the state would have to verify citizenship or immigration status of the individuals. If citizenship or immigration status cannot be verified, the person would be found ineligible. Once the state has completed the verification process, it could send the enrollees confirmation of their eligibility and a notice of when their coverage begins, together with an enrollment card.

Other States Successfully Leveraging SNAP to Improve Access to Health Care

To date, four other states – Arkansas, Illinois, Oregon, and West Virginia – have experienced significant success in using streamlined enrollment strategies like the ones described above. In addition, five other states – Alabama, Iowa, Louisiana, South Carolina, and Massachusetts – use streamlined eligibility through SNAP to facilitate enrollment of children into their state Medicaid and Children’s Health Insurance Programs.^{ix}

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Enrollment outcomes reported as of November 2013

	Enrollment Form Sent	Number Receiving Form	Percent of Forms Returned	Number of People Verified As Eligible and Enrolled
Arkansas	September 2013	154,000	41%	63,465
Illinois	August 2013	123,000	33%	35,500
Oregon	September 2013	260,000	27%	70,000
West Virginia	September 2013	118,000	46%	54,100

Source: Kaiser Commission on Medicaid and the Uninsured

Conclusion

In administering any state program, policymakers should continually explore opportunities to maximize the value of the resources available to them and to realize savings whenever possible. Accordingly, New Hampshire should seek to leverage the data it currently collects in order to identify and to enroll eligible SNAP adults in the Health Protection Program, providing vital health insurance coverage to eligible Granite Staters promptly and ensuring that savings to the state budget can begin to be realized without delay.

ⁱ Federal law provides that income eligibility for this coverage goes up to 133 percent of the federal poverty level (FPL). Additionally, there is a 5 percent income disregard that is subsequently applied, effectively bringing income eligibility up to 138 percent of FPL.

ⁱⁱ A report issued in January 2012 by the Lewin Group estimated offsets to the state budget of roughly \$12 million and \$14 million in FY 2015 and FY 2016 respectively. Subsequent projections by the New Hampshire Department of Health and Human Services put those figures at \$6.4 million and \$4.2 million.

ⁱⁱⁱ [http://www.fns.usda.gov/pd/18SNAPavg\\$PP.htm](http://www.fns.usda.gov/pd/18SNAPavg$PP.htm)

^{iv} The New Hampshire Health Protection Program provides affordable health insurance coverage to adults 19-64 with incomes up to 138 percent of the federal poverty level, or \$27,310 for a family of three.

^v These waivers do not require the public process associated with Section 1115 waivers and may be able to be granted in a matter of weeks.

^{vi} Adults 19-64 who are not currently receiving New Hampshire Medicaid with incomes up to 135 percent of FPL would be targeted.

^{vii} Required by federal regulation 42 CFR 435.905

^{viii} This component of the Health Protection Program is called the Health Insurance Premium Payment (HIPP) program.

^{ix} http://www.insurekidsnow.gov/professionals/eligibility/express_lane.html