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HHS Announces Opportunity to Streamline Health Coverage for SNAP Participants New Option for Automatic Enrollment Can Substantially Increase Health Coverage Through Medicaid While Reducing Administrative Costs

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A groundbreaking new approach to determining Medicaid eligibility for individuals who are participating in SNAP (the Supplemental Nutrition Assistance Program, formerly known as food stamps) offers states — especially those adopting the Affordable Care Act’s (ACA) Medicaid expansion — a highly efficient, cost-effective way to quickly and seamlessly enroll millions of low-income individuals in health coverage.

This streamlined enrollment process, which the U.S. Department of Health and Human Services (HHS) announced on May 17, 2013,¹ would (if all states adopted the ACA’s Medicaid expansion) allow states to easily identify about 7 million uninsured SNAP participants who are *virtually certain* to qualify for Medicaid — and to easily enroll them with minimal additional work for state eligibility staff and the eligible individuals.

7 Million

Uninsured SNAP participants
virtually certain to qualify for
Medicaid if all states adopt
the Medicaid expansion

This option also can help states that do *not* adopt the expansion to enroll low-income families efficiently. All states can use this streamlined enrollment process to ensure that as many as possible of the approximately 25 million SNAP participants who are already enrolled in Medicaid remain enrolled, without any gaps in coverage, as states transition to new eligibility systems and ways of counting income for Medicaid — which all states must institute in 2014.²

¹ “Facilitating Medicaid and CHIP Enrollment and Renewal in 2014,” Center for Medicaid & CHIP Services, U.S. Department of Health and Human Services, SHO #13-003, ACA #26, May 17, 2013, <http://www.medicaid.gov/Federal-Policy-Guidance/Downloads/SHO-13-003.pdf>.

² The estimates of the number of SNAP participants who are uninsured or receiving Medicaid are based on a CBPP analysis using the Department of Agriculture’s SNAP Household Characteristics data and the Census Bureau’s March Current Population Survey. These estimates are of SNAP participants who will be subject to the ACA’s new Medicaid eligibility rules (i.e., individuals who are not elderly or receiving Supplemental Security Income). As the text notes, we

The streamlined process will lower administrative costs and free up resources, which states can use to reach and enroll uninsured individuals who aren't already known to state agencies.

Since SNAP is targeted at very low-income households, the vast majority of non-elderly individuals enrolled in SNAP will have incomes below 138 percent of the poverty line — and will therefore be eligible for Medicaid in states that expand in 2014. The new option that HHS is making available will allow states to readily enroll in Medicaid those SNAP participants whom the state determines to have income below the new Medicaid income limit.

A Center on Budget and Policy Priorities analysis finds that if all states expand Medicaid, members of about 75 to 80 percent of the SNAP households that are subject to Medicaid's new eligibility rules under the ACA (i.e., of SNAP households that do not consist solely of people who are 65 or older or enrolled in the Supplemental Security Income program) are *virtually certain* to be financially eligible for Medicaid based on the information from SNAP. Most remaining SNAP participants are also likely to be financially eligible for Medicaid, but states may need to collect additional information or conduct additional calculations to make a final determination for those participants.

States will need to request approval from HHS to implement this option, but as described below, HHS is offering states a simple, streamlined request-and-approval process so that states can readily implement the option by this fall.

Resources on the New Option to Enroll SNAP Participants in Medicaid

In addition to this paper, two other CBPP papers are available on this new option to use SNAP information to enroll individuals in health coverage under Medicaid:

- A short paper on the option: "Streamlining Health Coverage for SNAP Recipients," <http://www.cbpp.org/files/SNAPMedicaidStreamline.pdf>.
- A technical analysis: "A Technical Assessment of SNAP and Medicaid Financial Eligibility under the Affordable Care Act (ACA)," Revised June 6, 2013, <http://www.cbpp.org/cms/?fa=view&id=3939>.

The guidance from the Department of Health and Human Services can be found at: "Facilitating Medicaid and CHIP Enrollment and Renewal in 2014," <http://www.medicaid.gov/Federal-Policy-Guidance/Downloads/SHO-13-003.pdf>.

Finally, another CBPP paper, "Coordinating Human Services Programs with Health Reform Implementation: A Toolkit for State Agencies," provides information and resources on additional opportunities for states to coordinate the delivery of Medicaid and other human services programs. The paper is available at <http://www.cbpp.org/cms/?fa=view&id=3791>.

State Workloads Expected to Increase as Medicaid Eligibility Expands

In 2014, the number of low-income people eligible for Medicaid will increase dramatically when Medicaid eligibility expands to cover most individuals with incomes below 138 percent of the

estimate that 7 million uninsured Americans could be enrolled on the basis of information used to determine their eligibility for SNAP is based on the assumption that if all states opted to expand Medicaid. Since not all states are adopting the expansion, the number in 2014 will be smaller. In the states that currently are likely to expand Medicaid, about 3 million individuals could be enrolled as outlined here based on the information used to determine their SNAP eligibility.

poverty line.³ The Supreme Court ruling leaves it up to states whether to adopt this expansion. As of this writing, about half the states are likely to expand Medicaid in 2014.

States that expand Medicaid will face a significant challenge in processing Medicaid applications for large numbers of individuals in 2014 and future years. The requirement that people must have health insurance, along with outreach that will publicize the health reform law's coverage expansions, will result in millions of people applying for coverage, many of whom will qualify for Medicaid. In addition, as people who haven't had contact with state human services in the past learn about other state-administered benefits such as SNAP when they apply for health care coverage, applications for those programs may also increase.

In addition to processing large volumes of new applications, states will need to implement new rules and processes for determining Medicaid eligibility that are largely aligned with the rules for the premium tax credits that will provide subsidies to help moderate-income people purchase coverage in the new Health Insurance Marketplaces (also known as Exchanges). The ACA requires a "no wrong door," seamless eligibility system that connects individuals to the right health coverage program regardless of where they apply, and that harnesses technology to minimize or eliminate unnecessary paperwork and provide real-time eligibility determinations whenever possible. These new rules and processes — including new Medicaid rules for what counts as income — apply in all states, including those that do *not* expand coverage to low-income adults.

Accordingly, states are now making big changes to their Medicaid policies and processes under very tight timeframes.⁴ By late 2013, states must:

- Change their application and renewal forms, client notices, and related procedures. This includes a requirement for a single, streamlined application for Medicaid and premium subsidies that can be filed in person, online, by fax, or by mail (many states also are modifying their forms and processes to encompass other human services programs);
- Adopt a new tax-based methodology (known as MAGI, or Modified Adjusted Gross Income) for calculating Medicaid income and family-unit size for beneficiaries who are not elderly or disabled;⁵
- Incorporate new service delivery options such as online services and greater use of call centers;
- Use electronic data sources to verify income and other eligibility factors;
- Launch new eligibility systems (or significantly upgrade their existing systems) to accommodate

³ The ACA expands Medicaid to 133 percent of the poverty line, but in determining eligibility, income equal to 5 percent of the poverty line will be disregarded, so the effective minimum income standard for Medicaid will be 138 percent of the poverty line. The ACA does not change eligibility rules for individuals whose eligibility is based on Medicaid categories for the aged (65 or older) or disabled.

⁴ For a detailed discussion of changes states must undertake and resources available to navigate the changes, see CBPP's "Toolkit for State Agencies," referenced in Resources box, above.

⁵ Beginning in 2014, Medicaid will use a new methodology for calculating income — called Modified Adjusted Gross Income, or MAGI — in determining eligibility for people who are not in the aged, blind, or disabled population categories. MAGI is based on "adjusted gross income" (AGI) from the tax code, with several modifications. For a detailed comparison to SNAP income rules, see CBPP's technical analysis, referenced in Resources box, above.

the new requirements and coordinate with the Health Insurance Marketplaces;⁶ and

- Train eligibility staff, supervisors, and managers on these changes.

Significant Overlap Between SNAP and Medicaid Populations Make SNAP an Effective Tool for Connecting Eligible Parents and Adults to Medicaid

SNAP and Medicaid are both designed to serve poor and near-poor individuals and families. While there are technical differences between the rules for the two programs (with respect to who is considered part of the household and some income-counting rules), there is substantial overlap in the people they serve. Federal SNAP income eligibility is set at 130 percent of the poverty line, which means that most SNAP households have at least one member — most often a child — who is currently eligible for Medicaid. The overlap in SNAP and Medicaid eligibility will grow much larger in 2014 in states that expand Medicaid coverage to parents and childless adults with incomes up to 138 percent of the poverty line.

Many of the low-income parents and adults without children who will gain Medicaid eligibility in 2014 are eligible for and receive SNAP benefits. Currently, more than 47 million individuals participate in SNAP, including about 40 million individuals who aren't elderly or receiving Supplemental Security Income (SSI) and who thus will potentially be eligible for Medicaid under the new MAGI rules starting in 2014. As a result, using SNAP participation can be a highly effective way to connect eligible parents and other adults to Medicaid.

As noted, the overwhelming majority of SNAP participants are in households with incomes below 138 percent of the poverty line, the new minimum income eligibility level in states that expand Medicaid, as the following data indicate.

- **Most SNAP recipients have incomes below the poverty line.** Some 83 percent of all SNAP households had gross income below 100 percent of the poverty line in 2011, and 96.6 percent had gross income below 138 percent of the poverty line. (Among participating households with children, almost half had gross income below *half* of the poverty line.⁷)
- **Almost all of the differences in Medicaid and SNAP rules on counting income and defining the household or family unit result in SNAP counting *more* income than Medicaid.** For example, pregnancy is not considered in determining eligibility for SNAP. In Medicaid, pregnancy makes the household *larger*, and this makes the applicable income limit higher. If a pregnant woman is income-eligible for SNAP, she clearly will also be income-eligible for Medicaid. SNAP captures virtually all sources of income that states will consider in determining Medicaid eligibility starting in 2014.⁸

⁶ States can receive federal reimbursement of 90 percent of the costs of developing new systems, including many of the costs of including other programs such as SNAP and Temporary Assistance for Needy Families in integrated eligibility systems. See “Tri-Agency Guidance on Cost Allocation of Information Technology Systems” from the Centers for Medicare & Medicaid Services, Administration for Children and Families, and U.S. Department of Agriculture, <http://www.medicaid.gov/Federal-Policy-Guidance/Downloads/SMD-01-23-12.pdf>.

⁷ U.S. Department of Agriculture, “Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2011,” November 2012.

⁸ For a comparison of SNAP and Medicaid rules for counting income, see Appendix 1.1 CBPP’s “Toolkit for State Agencies,” referenced in Resources box, above.

Moreover, SNAP is an excellent source of information about income for Medicaid. States rigorously evaluate the income of SNAP participants who aren't elderly or on SSI at least every six months, making SNAP a reliable source of information about current income. (Intensive quality control reviews show that more than 98 percent of households receiving SNAP benefits are eligible for the program; only 1 to 2 percent are ineligible and should not have been receiving SNAP benefits.) Participants are required to verify their income and to report any changes that would make them ineligible (known as threshold reporting). States follow these rules meticulously because of the risk of fiscal sanctions under the SNAP Quality Control (QC) system, which is one of the most rigorous program integrity review systems of any federal program.⁹

HHS Option Will Enable States to Enroll a Large Share of SNAP Households in Medicaid and Reduce Their Eligibility Workload

Because of the overlap in the populations and the information that is needed to determine eligibility for the two programs, currently more than 40 states jointly administer SNAP and Medicaid. Typically, households that apply for health benefits at human services offices can apply for a package of human services programs, such as SNAP, Temporary Assistance for Needy Families (TANF), child care subsidies, and energy assistance.

When lawmakers enacted the ACA, they understood the overlap among the populations served by various health and human services programs, and they intended that access to benefits be coordinated. The ACA requires HHS to establish standards for how new information technology systems that support applications to the Health Insurance Marketplaces will connect families to other human services benefits.¹⁰ Moreover, HHS regulations require states to use information in SNAP case files to verify eligibility for health coverage.¹¹

Despite these efforts to require the sharing of information across programs, SNAP and Medicaid will still continue to count income differently and use different definitions of who is in a household. Thus, states using SNAP data to verify income will still need to recalculate income for SNAP participants according to Medicaid rules. In addition, there is a risk that, in some states, people who apply for assistance from human services offices would need to participate in two *highly duplicative* processes — one through the state's human services department and the other through the new online federal or state health portal that serves as the state's Health Insurance Marketplace — in order to obtain both health and human services benefits. The new option that HHS has introduced can help eliminate this risk.

The HHS option creates an opportunity for states to identify SNAP participants for whom SNAP participation and the information in SNAP case files are sufficient to establish financial eligibility for Medicaid. States can identify SNAP households where, because of the relationships among household members and the types and amounts of income known from SNAP electronic case

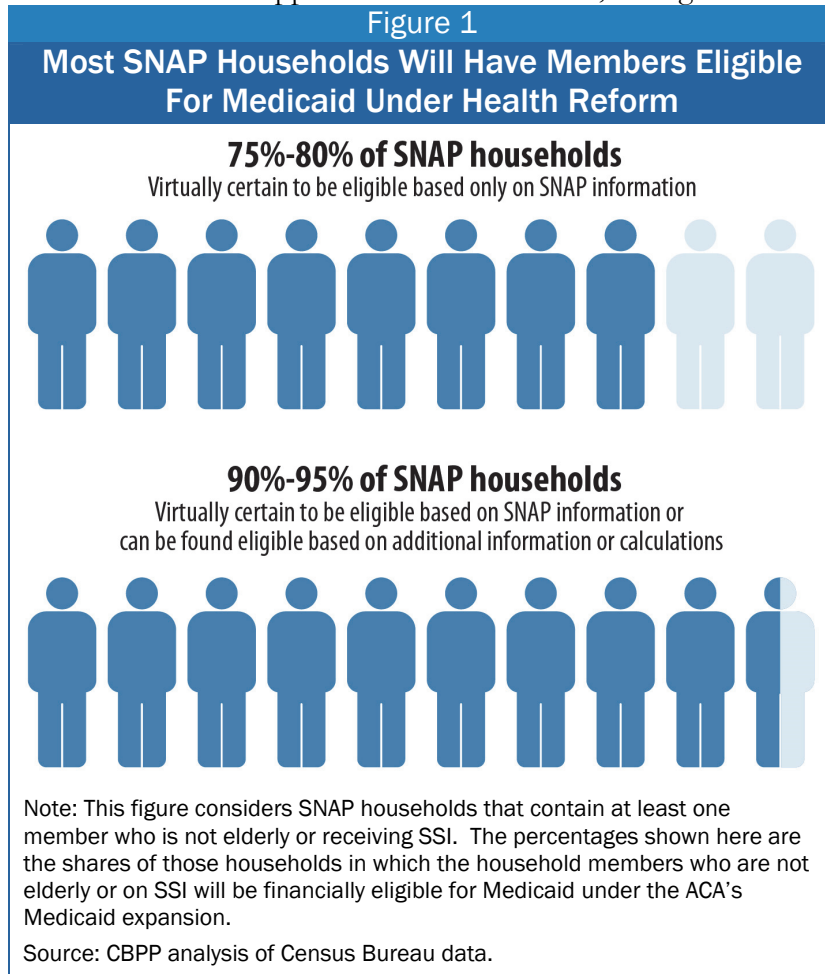
⁹ SNAP eligibility determinations are based on current and expected income and circumstances, which is consistent with the “point-in-time” eligibility determinations required for Medicaid. See 7 C.F.R. 273.10 for SNAP “budgeting” rules. See Appendix 3 of CBPP’s technical analysis, referenced in Resources box, above.

¹⁰ Patient Protection and Affordable Care Act, P.L. 111-148, enacted March 23, 2010, Section 1561.

¹¹ The Medicaid agency must request information relating to financial eligibility from a variety of state and federal programs, including SNAP, to the extent that the agency determines such information is useful to verifying the financial eligibility of an individual. See Centers for Medicare & Medicaid Services, “42 CFR Parts 431, 435 and 456, Medicaid Program; Eligibility Changes Under the Affordable Care Act of 2010; Final Rule,” March 23, 2012.

records, the state can use the SNAP records as the basis for determining that various members of the SNAP household have income below Medicaid’s “applicable income standard,” using the MAGI rules.¹² Because the state can be virtually certain that these individuals meet the Medicaid eligibility rules, it can automatically enroll them in health coverage, *without* the need to recalculate their income using Medicaid rules or ask for any additional documentation. As described below, the process can be automated so that the individuals identified based on SNAP information can be enrolled with minimal additional effort from state staff.

CBPP estimates that nationally, members of 75 to 80 percent of SNAP households that include at least one individual who isn’t elderly or receiving SSI are *virtually certain* to be financially eligible for Medicaid (under the terms of ACA’s Medicaid expansion), based on information in their SNAP case files. If all states adopted the Medicaid expansion, about 7 million uninsured SNAP participants could be determined with virtual certainty to be financially eligible for Medicaid based on their SNAP case records. This certainty is based on income, household composition, and other data in SNAP case files, which are verified every six months.¹³



¹² The new Medicaid rules streamline the process for determining financial eligibility for parents, caretaker relatives, pregnant women, children under 19, and other adults so that states only have to determine whether income is below the “applicable income standard” for eligibility. If income is below the applicable standard, which in most cases will be 138 percent of the poverty line, the individual meets the financial requirements for Medicaid eligibility. The new option is available for children, pregnant women, parents, and non-elderly adults whose eligibility is determined based on MAGI. It is not applicable for people who are aged 65 or over or whose eligibility is being determined on the basis of a disability.

The new option can also be implemented in states that do not expand Medicaid. To do so, it can be modified to reflect the state’s applicable income standards.

¹³ We use the term “virtual” certainty. There could be rare situations where information (such as a type of income or the existence of a tax-unit member who lives outside the home) would not be known to SNAP but would be relevant for Medicaid eligibility and also result in an individual who otherwise is eligible for Medicaid being ineligible. Such situations would be extremely unusual. Almost all income that is counted toward Medicaid eligibility is also counted in SNAP; the exceptions are uncommon forms of income. For example, certain payments for living allowances paid to Volunteers in Service to America (VISTA) volunteers are excluded for certain SNAP participants — those who received SNAP prior to enrolling in VISTA — but are included in MAGI. Even in these situations, it is unlikely that counting the income

Members of many of the remaining 20 to 25 percent of SNAP households also will be financially eligible for Medicaid, but states will need additional information from these households to confirm their eligibility.¹⁴ (Overall, we estimate that members of 90 to 95 percent of SNAP households that include at least one person who isn't elderly or receiving SSI will be eligible for Medicaid in states that adopt the ACA's Medicaid expansion.) (See Figure 1.)

About 40 percent of the households who are virtually certain to be financially eligible based on SNAP information are single-parent families with children. Another 40 percent are single individuals. The remainder are mostly married couples with minor children or married couples with no children in the home. (See the box below, "Participants in SNAP Households That Are Virtually Certain to be Financially Eligible for Medicaid Under MAGI," for a more detailed description of the types of households that are virtually certain to be financially eligible.)¹⁵

This option can help states manage their workload more efficiently and avoid duplicative processes for very low-income individuals and families that qualify for several benefits. States will be able to easily enroll numerous parents and adults without dependent children who are newly eligible for Medicaid, as well as other adults and children who may currently be eligible but are not enrolled. In addition, states can use the option to avoid gaps in coverage for many low-income individuals who are currently enrolled in Medicaid but whose eligibility must be assessed using the new MAGI rules. As states transition to new systems, there is a risk that some currently enrolled beneficiaries could lose coverage due to staffing gaps, confusion, or program errors, particularly if the eligibility process for Medicaid is *separated* from the process for other assistance programs. The new option can help to ensure that states maintain coverage for individuals currently enrolled in Medicaid, who often are in very low-income families and have various health or educational conditions or limitations.

The benefits of this streamlined process will accrue not only to state Medicaid agencies — through more efficient processes and reduced administrative costs and burdens — but also to the new state and federal Health Insurance Marketplaces, by reducing the number of applications they will have to handle and then transfer to Medicaid for further processing.

would push the VISTA volunteer's income over the Medicaid eligibility level. (Similarly, there are rare situations where the SNAP unit does not include an individual who lives outside the household but who is part of the same tax filing unit as the household members *and* whose income, if her or she has any, would be counted toward the SNAP household members' Medicaid eligibility.) In states that receive CMS approval to use the new option, the enrollment of household members in Medicaid in these rare situations will not be considered a Medicaid error or improper payment because the state will have followed federally approved Medicaid certification policies and procedures that allow the use of SNAP income information in determining Medicaid eligibility.

¹⁴ To assess the number of people that states could enroll based on the information used to determine their SNAP eligibility, CBPP conducted an analysis of the SNAP administrative data, known as the SNAP Household Characteristics, or Quality Control Data. See CBPP's technical analysis, referenced in Resources box, above.

¹⁵ Most of the SNAP households that the analysis finds are not *virtually certain* to include members who are eligible for Medicaid are households that include individuals who are *ineligible* for SNAP, such as ineligible immigrants or people subject to SNAP employment and training sanctions. SNAP has special rules for how the income and unit size is treated in these cases that will not apply for Medicaid. Other households have income above 138 percent of the federal poverty line or have complex family structures where the tax-filing status must be determined. Some states may be able to conduct additional calculations that would allow them to be certain of the Medicaid eligibility (under MAGI) of some of these individuals, and they could cover these individuals under the option. See CBPP's technical analysis, referenced in Resources box, above, for a more detailed discussion of these issues.

Participants in SNAP Households That Are Virtually Certain To Be Financially Eligible for Medicaid Under MAGI

Most SNAP households are single individuals or families where there is no difference between the SNAP household and Medicaid household. For the vast bulk of SNAP households, all of the income that is counted under SNAP rules will either also be counted in Medicaid (for example, from earnings) or be excluded in Medicaid (for example, income from child support, Supplemental Security Income, or TANF). The result is that SNAP countable income is equal to or higher than Medicaid countable income, making financial eligibility for Medicaid unquestionable for most SNAP participants.

Even in some circumstances where the households for SNAP and Medicaid are different, the state can still be virtually certain that the SNAP household members are financially eligible for Medicaid if the income is low enough. For example, consider a SNAP household of three consisting of an unmarried couple and a child who is the woman's biological daughter. The man earns \$750 per month; the woman earns \$250 per month and receives \$200 per month in TANF benefits. The combined monthly income for this three-person household for SNAP would be \$1,200, or 80 percent of the poverty line. SNAP would consider all members to be in the same household if they purchase and prepare food together, and all of the income would count in determining income eligibility for the three-person household.

For Medicaid, by contrast, the financial eligibility of the woman and her child would be based on a household of two, and household income would consist of the woman's earnings of \$250 a month (but not TANF) which is well below 138 percent of the poverty line. The man's Medicaid unit would include himself, as well as the woman and her daughter *if* he claims them as dependents on his tax return.^a If he does not claim them, his eligibility for Medicaid would be considered separately as a household of one with his monthly income of \$750.

In this case, the state need not figure out the tax-filing relationship nor exclude the TANF income, because the combined monthly SNAP income of \$1,200 is below 138 percent of the poverty line for a household of one. Thus, one can be virtually certain from the information in the SNAP case record that all members of the household are financially eligible for Medicaid.

In short, SNAP participants who are virtually certain to have income below the applicable Medicaid income standard are those who live in households with gross income at or below 138 percent of the federal poverty line in which:

- All members are eligible for SNAP (so the total income of all members is counted), *and*
- The household falls into *either* of the following two groups:
 - The household consists of individuals who live alone, parents living with their dependent children, or married couples with or without dependent children – all such household configurations will also be considered a household under Medicaid rules – and there are no other members present who might *not* be part of the Medicaid household; *or*
 - Other members are present in the household, but the *total* household income is below 138 percent of the poverty level *for a household of one*, so it would be impossible for any household members, if they were a separate unit, to be ineligible for Medicaid.

For more information, see, CBPP's technical analysis, referenced in Resources box, above.

^a A taxpayer can claim an unrelated individual as a dependent if they lived together for the entire year and the annual gross income of the dependent is below a certain threshold (\$3,700 in 2011) and the taxpayer paid more than 50 percent of the dependent's support.

How States Can Implement the New Option

By screening SNAP case files (either electronically or manually as state staff are working on a SNAP case), states will be able to determine and verify Medicaid financial eligibility in a highly efficient and cost-effective way. States will need to take one additional step — to verify citizenship status — but they can readily do that for most people through an electronic data match with the federal data services hub, as required by Medicaid rules. Adopting the option will enable states to quickly and seamlessly enroll several million low-income individuals in health coverage. This is likely to be most useful in states that adopt the Medicaid expansion, because Medicaid eligibility for all individuals who are not elderly or receiving SSI will extend to 138 percent of the poverty line. But the option is available to all states, and states that do not expand can also make good use of it.

Below are three examples of how states can use the new option to simplify their processes, reduce administrative costs, and enroll more eligible, uninsured people in health coverage.

- **Identify SNAP participants who are virtually certain to be eligible for Medicaid in 2014:** States can do an initial “sweep” of their SNAP case files to determine which participants who are not elderly or on SSI are virtually certain to be financially eligible for Medicaid, and then electronically verify their citizenship. States then can send a Medicaid card to all individuals passing the screens, which will be the large majority of non-elderly, non-SSI SNAP participants. The Medicaid cards can be activated by a phone call or online acknowledgment. Alternatively, states could send these individuals a very short form to confirm their desire to apply for Medicaid and collect a signature and any additional information the state may require.
- **Treat SNAP applications and recertification forms as Medicaid applications:** States can add a check box to SNAP application and recertification forms, asking if some or all household members wish to apply for Medicaid. When checked, this will allow the SNAP form to be treated as a Medicaid application. The state can then run the “screen” of these people’s SNAP case files to determine whether they are virtually certain to be financially eligible for Medicaid, electronically verify their citizenship, and easily enroll them.
- **Perform annual renewals:** By using this option, states also can significantly increase the number of Medicaid *renewals* that can be completed without requiring documentation from beneficiaries. States can simply renew Medicaid eligibility for all SNAP participants virtually certain to be eligible for Medicaid at the time their annual Medicaid renewal is scheduled. Alternatively, states can use “rolling renewal,” which advances the Medicaid renewal date by 12 months when beneficiaries are recertified for participation in SNAP, as long as the data collected for SNAP show they remain eligible for Medicaid.

The way that a state can use the option will depend on how it structures its application and enrollment processes for human services and health coverage and whether its technology and systems are integrated or separate.

The new option is applicable to:

- **States that have entirely separate workers and eligibility systems for Medicaid and SNAP and expect to maintain this structure in 2014.** These states can create an interface that facilitates data sharing for this option between their SNAP and Medicaid systems, so more people who apply through the health door are automatically determined to meet the Medicaid income eligibility requirements without any need to further verify their income. Similarly,

information on people who apply for SNAP through the human services door and also wish to apply for Medicaid can be forwarded to the state health agency, with a flag that identifies them as income eligible with no need for additional income verification.

- **States with integrated eligibility processes for SNAP and Medicaid for families who apply through the human services office (more than 40 states today) that intend to continue this practice in the future.** At least some of these states expect to experience a transition period during which their SNAP eligibility will not be integrated into their new Medicaid eligibility system. In the interim, these states may have SNAP and Medicaid in two different eligibility systems but continue to use the same worker to process eligibility for both. Under this approach, the Medicaid system can be designed to import information on SNAP participants in households that meet the state’s criteria for inclusion in the option, so that once the state worker completes the SNAP determination, income eligibility can be assumed and verified for Medicaid — without the need to re-enter all of the income data into the Medicaid system or recalculate the income using the MAGI methodology.
- **States that now have integrated eligibility processes for SNAP and Medicaid but are moving Medicaid eligibility to a new health insurance agency with an online portal and a separate process and that have no immediate plans for integration with human services.** These states can create a way for *SNAP* eligibility workers to process income eligibility for *Medicaid* up to a point, by entering the relevant information from SNAP case files on to the online Medicaid application (perhaps with a special status that identifies it as coming from the human services agency), and then forwarding the application to the state health agency. This would be greatly preferable to merely referring SNAP participants to a web address that contains an online Medicaid application or to a kiosk where the online application can be accessed.

To implement the changes required by the ACA, most states are building new automated systems or making significant changes to their existing systems. Given the short time remaining before the October 2013 deadline for many of these systems to be operational, some states may find it challenging to make further revisions to these systems. Fortunately, there are approaches to using the new option that will *not* require significant changes to states’ new automated systems. For example, the approach described in the first bullet above — where a state uses a screen to identify SNAP recipients who meet the criteria for being “virtually certain” to be eligible for Medicaid and enrolls them with minimal paperwork — requires states to apply the screen to their *existing* SNAP automated system. In most states, this SNAP system has been in use for many years, and the programming and analysis needed to conduct the screen can be done by people who are familiar with the existing system, rather than by the staff or contractors developing the new automated system. (Under some of the other approaches to implementing the new option, a state may simply need to instruct eligibility workers who are processing eligibility for multiple programs on how to code or input into the new system the SNAP recipients whom they have found virtually certain to be eligible so that these recipients’ Medicaid cases can be opened and their eligibility cards issued, without revisions being needed in the core eligibility functions of the new system.)

What States Have to Do to Take the Option

The HHS guidance offers states “a simple, streamlined request and approval process” to take up the new option. States will likely need to provide:

- An explanation of why the procedure will be useful in implementing its eligibility and enrollment system and meeting its administrative responsibilities.
- A description of how the state will obtain the minimum requirements for an application for Medicaid enrollment (including a physical, electronic, or telephonic signature). The HHS guidance provides a number of examples of how this can be easily accomplished at SNAP application and recertification.
- A discussion of how the state will obtain any non-financial information needed for a Medicaid eligibility determination (which will primarily be verification of citizenship status that can be accomplished through the federal data hub).
- Information about which groups of SNAP participants will be included under the option (and how states will exclude elderly SNAP participants, SSI recipients, and others whom the state is not including).

Conclusion

Many states are already struggling to deal with their Medicaid caseloads. As health reform expands Medicaid eligibility, states will have to process more applications in 2014 and beyond. The new HHS option that allows states to easily enroll certain SNAP participants in Medicaid will enable states to save considerable time and expense, deliver benefits more promptly and efficiently, and redirect resources to deal with more complicated cases. States that take advantage of the option should experience greater gains in coverage and achieve these gains more efficiently. This approach also will enable states to avoid gaps in coverage for current Medicaid beneficiaries during the transition to the new eligibility systems and rules.