# SB 3039

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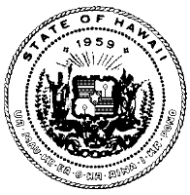
| Measure Title: | RELATING TO MEDICAID PROVIDERS. |
| Report Title: | Supplemental Nutrition Assistance Program; Medicaid |
| Description: | Authorizes health care providers under the state medicaid program to ask about supplemental nutrition assistance program (food stamp) participation on medicaid certification and re-certification forms. |
| Companion: | HB1810 |
| Package: | None |
| Current Referral: | HMS, CPH |
| Introducer(s): | GREEN, CHUN OAKLAND, RUDERMAN, Baker, English, Espero, Gabbard |

DAVID Y. IGE
GOVERNOR

RACHAEL WONG,DrPH
DIRECTOR

PANKAJ BHANOT
DEPUTY DIRECTOR



STATE OF HAWAII
**DEPARTMENT OF HUMAN SERVICES**
P. O. Box 339
Honolulu, Hawaii 96809-0339

February 11, 2016

TO: The Honorable Senator Suzanne Chun Oakland, Chair
Senate Committee on Human Services

FROM: Rachael Wong, DrPH, Director

SUBJECT: **SB 3039 – RELATING TO MEDICAID PROVIDERS**

Hearing: Thursday, February 11, 2016; 1:20pm
Conference Room 016, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) appreciates the intent of the bill to increase Supplemental Nutrition Assistance Program (SNAP) participation. The Department respectfully opposes this measure due to concerns regarding implementation questions as well as issues of confidentiality and privacy related to the SNAP. However, DHS is actively working on a strategy to transition the SNAP application process to the DHS Enterprise platform. Once implemented, an individual will be able to apply for SNAP and Medicaid benefits at the same time.

**PURPOSE:** The purpose of this measure is to authorize health care providers under the state Medicaid program to ask about Supplemental Nutrition Assistance Program (Food Stamp) participation on Medicaid certification and re-certification forms and to subsequently report aggregate responses to the legislature about participation in the Supplemental Nutrition Assistance Program.

DHS does understand and appreciate the intent of the bill to increase SNAP participation. The connection between poverty, food insecurity and health is also well-

established. However, there are several logistical issues as well as SNAP privacy concerns that need to be addressed.

The bill authorizes health care providers to ask about SNAP on "medicaid certification and recertification forms." However, the Medicaid program does not use forms called "Medicaid certification or recertification" forms that a health care provider would use to capture information about a Medicaid beneficiary. Thus, additional clarity regarding what form(s) were intended to be used is needed that would enable the Department to respond more precisely from the Medicaid perspective.

Also, we note, that the bill has all Medicaid health care providers reporting back to the legislature. Logistically, this would present challenges for the individual health care providers as well as the legislature receiving the individual reports from health care providers.

Of greater concern is regarding the Supplemental Nutrition Assistance Program (SNAP). It is an exclusively federally funded program through the United States Department of Agriculture (USDA), Food and Nutrition Service (FNS). The USDA, FNS, in establishing uniform standards of operation for the SNAP program nationally, provides regulations that protect an individual's right to privacy and confidentiality. Asking an applicant if they are receiving SNAP violates an individual's right to privacy and confidentiality. Disclosure of information obtained from a recipient may be made only to persons directly connected with the administration of SNAP or to others provided that the program recipient signs a release form documenting their agreement to the specific release of information. Such an agreement shall not be a condition of receipt of benefits as provided under 7 CFR Section 272.1(c).

A health insurance application form can be used to apply for SNAP; however the form must contain questions and information required by 7 CFR Section 273.2 (b) including a means to start the application process with a name, address and signature, a description of SNAP expedited services, a warning about the consequences of providing false information about the program and a nondiscrimination statement. Additionally, if the health care form is used for screening purposes only, it will not formally start the SNAP application process, does not secure a SNAP application date, and official notices regarding a SNAP interview date are not provided to a SNAP household.

The federal FNS determines the efficiency and effectiveness of SNAP by measuring the State's compliance with certain standards contained in the Food and Nutrition Act and regulations.

States are required under federal regulations to submit participation rates on a monthly basis. State-by-State information on participation is based on SNAP administrative data and Census Bureau survey data which is used to estimate the number of participants in each State. Hawaii's SNAP participation rate has increased every year since FY 2008.

Lastly, as indicated above DHS is working on a strategy to transition the SNAP application process to the DHS Enterprise platform. Once implemented, an individual will be able to apply for SNAP and Medicaid benefits at the same time.

Thank you for this opportunity to provide comments on this bill.

Jay L. King
Testimony in Support of SB 3039 and HB1810

Household food insecurity is a robust indicator of health care utilization. On August 26, 2015 the Urban Institute reported that households with low food security, meaning that they faced uncertain or limited access to a nutritious diet, incurred health care expenses that were 49 percent higher than those who were food secure. Additionally health care costs were 121 percent higher for those with very low food security (those who missed meals or ate smaller meals because they couldn't afford food). Higher costs were seen across a variety of health care services, including inpatient hospitalization, emergency room visits, physician services, home health care, and prescription drugs. As food insecurity increased, so did health care costs.

Another article from the Journal of Emergency Medicine in 2010 reported "ED [emergency department] patients from food-insecure households report more chronic and mental health problems, and difficulty purchasing medication."

Although an estimated 49 million Americans struggle with food insecurity at least part of the year, the inability to afford an adequate diet is often left out of conversations about health and health care.

The most recent report by the United States Department of Agriculture entitled "Reaching Those In Need" released at the beginning of February, reports that Hawaii was #46 in national state ranking for lowest participation rate of eligible people receiving SNAP benefits. While the national average participation rate was 85%, in Hawaii, only 75 % of those eligible for SNAP benefits received them in FY 2013.

Examining the numbers, the USDA report reveals that of 226,000 eligible, 56,250 low income households were eligible that DID NOT participate. This means that when the average monthly SNAP benefit per person is $225 Hawaii's missed the opportunity to bring down in federal dollars, $12,656,250 per month and$151,875,000 per year. The importance of these numbers are amplified when factoring in average cost of food in Hawaii at 26.57% higher than the rest of the United States.

What does this mean for Hawaii's economy? For every dollar in SNAP benefits there is a $1.80 in stimulated in total economic activity. When calculating the 56,250 households that were eligible but did not participate, it reveals $22,781,250 per month in MISSED in economic activity. Annually this equates to $273,375,000 (over a quarter of a billion dollars) per year LOST in economic activity!

As Hawaii and the rest of the United States continues to debate ways to contain health care costs and improve outcomes, there is clear evidence to show that failing to confront the intersection of health and hunger may undermine our best efforts to promote better heath in a cost-effective manner.

There are five health plans who can directly inform Hawaii's impoverished citizens of their potential eligibility for SNAP benefits. This is the 10.8% of population living below the poverty line: 148,368 people making $13,230 for an individual and $23,090 family of four.

There are five health plans to reach 41% of these households that are in DEEP POVERTY: meaning 60,821 people with income 50% below the poverty line ($6615 / $11545)

If Hawaii's health plans are to see the cost savings associated with addressing a client's food insecurity, then we must start with simply and specifically identifying who receives these benefits and quantifying their cost of care. By measuring this cost, each health plan may strategically measure the cost benefit (savings) of investing in social determinants of health.

These hearings and testimonies are full of financial requests from the State budget. This is not one of them. This is about an opportunity to stimulate the economy of Hawaii by over a quarter of a billion dollars and deliver $151 million the Hawaii's most hungry citizens.