



# OHIO LEGISLATIVE SERVICE COMMISSION

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 119 of the 132nd G.A.

**Status:** As Passed by the House

**Sponsor:** Reps. Henne and McColley

**Local Impact Statement Procedure Required:** Yes

**Subject:** Eligibility and benefits for the Supplemental Nutrition Assistance Program and Medicaid

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### State & Local Fiscal Highlights

- The Ohio Department of Job and Family Services (ODJFS) and the Ohio Department of Medicaid (ODM) could experience an increase in administrative costs to promulgate rules.
- County departments of job and family services could experience a minimal increase in administrative costs to train employees on any changes made to the determination process for the Supplemental Nutrition Assistance Program (SNAP) and medical assistance programs.

### Detailed Fiscal Analysis

The bill requires the Ohio Department of Job and Family Services (ODJFS) and the Ohio Department of Medicaid (ODM) to verify several pieces of household information before certifying benefits for the Supplemental Nutrition Assistance Program (SNAP) and an individual's eligibility for medical assistance programs, respectively. The bill specifies that this applies to all medical assistance programs including the Medicaid Program, the Children's Health Insurance Program, the Refugee Medical Assistance Program, and other medical assistance programs administered by ODM. The verifications include household composition, identity, citizenship and alien eligibility status, Social Security numbers, state residency status, disability status, gross nonexempt income, utility expenses, and medical expenses; most of this information is currently collected as part of the determination process. However, the bill permits a household's eligibility for SNAP to be certified before all of the information is verified if the certification is being expedited pursuant to existing law.

## **Additional verifications**

Under the bill, at least the following information will be verified for households applying for SNAP and individuals applying for medical assistance:

- Household composition;
- Identity;
- Citizenship and alien eligibility status;
- Social Security numbers;
- State residency status;
- Disability status;
- Gross nonexempt income;
- Utility expenses;
- Medical expenses;
- Enrollment status in other state-administered public assistance programs within and outside this state; and
- Any available information related to potential identity fraud or identity theft.

ODJFS is required to adopt rules to implement the bill's provisions. As a result, ODJFS will experience a minimal increase in administrative costs to promulgate rules. It is possible that ODM may also need to adjust rules. The bill specifies that ODJFS may assign its authority to determine SNAP and Medicaid eligibility to a county department of job and family services (CDJFS); this is in line with current practice and will pose no additional cost.

Most of the verifications required in the bill are already included in the determination process, although some items (such as state residency status) may be based on self-reporting, but can be cross-checked with other available information through the Income and Eligibility Verification System (IEVS). If any staff training is necessary as a result of this provision, it is possible that CDJFS's may experience a minimal increase in administrative costs.

## **Quarterly eligibility review**

The bill requires SNAP and Medicaid recipients to be reviewed for eligibility on a quarterly basis, consistent with federal regulations, as information is received by CDJFSs. This review based on information received through a number of sources is in line with current practices and will pose no additional cost.

## **Background**

SNAP is a United States Department of Agriculture/Food and Nutrition Service (USDA/FNS) program administered by state governments that assists low-income households to purchase food from authorized merchants. A household that receives benefits under the program is a group of people who purchase and prepare meals

together. This would generally be a family, but may also include unrelated adults who share a home and meals. SNAP benefits are fully funded by the federal government and state and local administrative costs are reimbursed by the federal government at a rate of about 50%.

Under current law for SNAP, households are certified for a definite period of time. Households with unstable situations are certified for four months, households which include only elderly or disabled members that have no earned income are certified for 24 months, and all other households are certified for 12 months. Every household has an ongoing responsibility to report changes in gross household income that exceed 130% of the federal poverty level (FPL) and may report other changes as they see fit. ODJFS checks for changes in eligibility status regularly through a number of available interfaces, requires households to participate in an interim report at the mid-point of their certification period, and redetermines eligibility if the household wishes to be recertified at the end of the certification period.

Medicaid is a publicly funded health insurance program for low-income individuals. It is a federal-state joint program administered by the state and funded with federal, state, and, in some states like Ohio, local revenues. The federal government establishes and monitors certain requirements concerning funding, eligibility standards, and quality and scope of medical services. Ohio Medicaid is the largest health insurer in the state. Medicaid services are an entitlement for those who meet eligibility requirements, meaning that if an individual is eligible for the program then they are guaranteed the benefits and the state is obligated to pay for them. The federal government generally reimburses 50% of the state's Medicaid administrative expenditures.

For Medicaid, redeterminations are completed annually. In accordance with federal rules, modified adjusted gross income (MAGI) eligibility determinations can be completed no more frequently than once every 12 months.<sup>1</sup>

CDJFSs determine eligibility for SNAP and often Medicaid. In FY 2016, CDJFSs received \$78.7 million for SNAP administrative activities, expended from federal Fund 3840 appropriation item 600610, Food Assistance Programs and \$159.4 million for Medicaid application processing, predominantly from GRF appropriation item 651425, Medicaid Program Support – State.

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<sup>1</sup> This includes individuals determined eligible in the Covered Families and Children category, accounting for about 60% of the Medicaid caseload in FY 2016.