



OHIO LEGISLATIVE SERVICE COMMISSION

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Fiscal Note & Local Impact Statement

Bill: S.B. 96 of the 132nd G.A.

Status: As Introduced

Sponsor: Sen. Coley

Local Impact Statement Procedure Required: Yes

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

State Fiscal Highlights

- The bill will require upgrades to the Ohio Benefits system to implement the new verification requirements at an estimated one-time cost of \$2.2 million.
- Administrative spending for the Ohio Department of Job and Family Services (ODJFS) and the Ohio Department of Medicaid (ODM) will increase due to the bill's additional verifications and reporting requirements.

Local Fiscal Highlights

- County departments of job and family services will experience increased costs to implement the new verification requirements, conduct quarterly eligibility checks, and administer the identity authentication quiz for SNAP and Medicaid recipients.

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 additional pieces of information for individuals applying for the Supplemental Nutrition Assistance Program (SNAP) and Medicaid respectively. The additional verifications include lottery winning status, incarceration status, death records, and others, along with an identity authentication process that includes a quiz based on knowledge of personal and financial information. Further, recipient eligibility is to be reviewed quarterly for both programs.

Additional verifications

Under the bill, the following information will be verified for individuals applying for SNAP or Medicaid:

- Earned and unearned income;
- Employment status and changes in employment;
- Immigration status;
- State residency status, including information from a nationwide best-address source;
- Enrollment status in other state-administered public assistance programs both within and outside the state;
- Financial resources;
- Lottery winnings;
- Incarceration status;
- Death records; and
- Any available information related to potential identity fraud or identity theft.

The bill requires each department to complete a report detailing the impact of the bill's verification process six months after taking effect and then annually thereafter. Further, the departments can adopt rules to implement new processes. The departments will experience a minimal increase in administrative costs to complete the report and promulgate rules.

In order to process the additional verifications, upgrades will be needed to Ohio Benefits, the state's integrated eligibility system. A similar upgrade was recommended in the ODJFS Performance Audit released in June 2013 at an estimated cost of \$2.2 million.¹ Since Ohio Benefits is used for SNAP and Medicaid determination, any upgrades to Ohio Benefits will help to meet requirements for both ODJFS and ODM. For Medicaid, most of the verifications required in the bill are already included in the

¹ [https://ohioauditor.gov/publications/Ohio_Dept_Job_Family_Services_13_Performance_Franklin\(1\).pdf](https://ohioauditor.gov/publications/Ohio_Dept_Job_Family_Services_13_Performance_Franklin(1).pdf).

determination process, although several items (including incarceration and lottery winning status) are based on self-reporting, but can be cross-checked with other available information through the Income and Eligibility Verification System (IEVS).

Quarterly eligibility review

The bill requires SNAP and Medicaid recipients to be reviewed on a quarterly basis for eligibility; it is unclear whether this review would constitute a redetermination or records check through the verification system. Regardless, this review likely will be completed by case workers at county departments of job and family services (CDJFSs), who are currently responsible for determining eligibility. CDJFSs will realize an increase in costs to carry out this additional process, but the exact cost is unclear because the requirements of the review will likely be detailed in rules. 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.

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% 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.

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.² As a result, even if a recipient under MAGI was found to no longer qualify during a quarterly check, ODM could not disqualify a recipient from receiving benefits until their redetermination date.

Identity authentication process

The bill requires recipients to pass a knowledge-based quiz of personal and financial questions as part of the application process. Developing the quiz and reviewing the results as part of the determination process will pose costs to CDJFSs. According to ODJFS, the quiz would exceed the minimum verification requirements permitted for SNAP, meaning that failure to pass the quiz could not bar an applicant from eligibility.

² This includes individuals determined eligible in the Covered Families and Children category, accounting for about 60% of the Medicaid caseload in FY 2016.

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%.

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.