INITIAL FINDINGS:
HEALTH IMPACT ASSESSMENT OF THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

The Health Impact Project—a collaboration of the Robert Wood Johnson Foundation and The Pew Charitable Trusts—summarizes here the initial findings of a health impact assessment (HIA) conducted to inform Congressional consideration of changes to the Supplemental Nutrition Assistance Program (SNAP), as included in the 112th Congress by the full Senate and the House Agriculture Committee versions of the farm bill (S. 3240 and H.R. 6083, respectively).

This initial analysis examines the proposed changes through a health lens, including the day-to-day impact on people’s lives, presenting a full and objective exposition of the estimated impacts and potential trade-offs. The full HIA will present additional research and analysis, including a summary of engagement with stakeholders such as SNAP participants and retailers.

“HIA is a systematic process that uses an array of data sources and analytic methods and considers input from stakeholders to determine the potential effects of a proposed policy, plan, program, or project on the health of a population and the distribution of those effects within the population. HIA provides recommendations on monitoring and managing those effects.”

National Academies, 2011

What does SNAP have to do with health?

Low-income households often lack the financial means to meet their basic needs, including adequate housing, home heating and cooling, health care, and food. Since the onset of the recession, many American families have faced tough choices about how to spend their limited resources.

The Supplemental Nutrition Assistance Program is the federal government’s principal mechanism for alleviating hunger, improving nutrition, and increasing the food purchasing power of low-income households. The program provides low-income Americans with benefits specifically for food purchases to lessen instances of hunger and support a more nutritious diet by encouraging people to prepare foods at home.¹ A family of two living at the poverty line spends, on average, $190 per month on food at home, or just over $3 per day per person.² Among those eligible for SNAP in 2011, more than 12.8 million individuals experienced food insecurity, meaning they had difficulty obtaining enough food at some point in the year.³
Poor nutrition and food insecurity can lead to diet-related illnesses, including malnutrition, obesity, and diabetes. Children who are hungry and malnourished are more likely to suffer from hyperactivity, have dental caries (which, because of pain or infection, is a common cause of school absenteeism), and have lower academic achievement than children who are not hungry. Researchers at the Urban Institute found that SNAP reduced the likelihood of being food insecure by approximately 30 percent.

Recent evidence also demonstrates longer-term health benefits associated with the Supplemental Nutrition Assistance Program. Access to SNAP benefits in early childhood resulted in significant reductions in the incidence of adult obesity, high blood pressure, and diabetes. These diseases are not only common, but also costly. For adult obesity alone, the medical costs have been estimated at between $147 billion and $210 billion per year.

Beyond its importance for nutrition, SNAP indirectly contributes to the resources that low-income families have to spend on other basic needs. Americans with less income lead shorter lives, have higher rates of infant mortality, and face a greater burden of serious injuries and burns, chronic illnesses such as asthma, and psychological distress. Part of the explanation for these disparities is that low-income families must often make economic trade-offs between buying enough food and meeting other essential needs, such as quality housing, energy to heat or cool homes, medication, and medical care.

This health impact assessment considers how changes in SNAP eligibility and benefit levels proposed under S. 3240 and H.R. 6083 may affect the health of program participants. The analysis also frames these impacts in terms of the federal government’s benchmarks for improving the health of all Americans. These goals include: “attain high-quality, longer lives free of preventable disease, disability, injury, and premature death”; “achieve health equity, eliminate disparities, and improve the health of all groups;” and “create social and physical environments that promote good health for all.”

The initial findings will include:
- A brief description of the policy background and estimated impact of S. 3240 and H.R. 6083 on eligibility and benefit levels;
- Data on the health implications, as well as the administrative and economic importance of the proposed changes.

**POLICY BACKGROUND**

Federal spending on the Supplemental Nutrition Assistance Program has grown from $30 billion in FY 2007 to $78 billion in FY 2011. A number of factors have been identified as potential contributors to this growth, including the rise in poverty and unemployment during the recession; changes to state eligibility practices, outreach policies, and application processes; and a temporary increase in benefit amounts conferred by the American Recovery and Reinvestment Act. The Congressional Budget Office (CBO) predicts that the program costs will decrease as the economy improves.

The Supplemental Nutrition Assistance Program has become one of several focal points in the current farm bill reauthorization debate. Members of Congress have expressed concern that growth of the program has been unchecked. Categorical eligibility rules, which allow states to enroll people in SNAP based on a determination of eligibility for different public support programs such as Temporary...
Assistance for Needy Families (TANF), have come under particular scrutiny. According to the Government Accountability Office’s (GAO) 2012 review, the recession and the temporary American Recovery and Reinvestment Act increase likely played a larger role than the expanded use of categorical eligibility by states in the growth of SNAP.14

Within the proposed SNAP changes in S. 3240 and H.R. 6083, the largest spending adjustments come from two modifications to the rules used by states to determine SNAP eligibility and benefit levels:

- **Low Income Home Energy Assistance Program (LIHEAP)** nominal benefit: Sixteen states provide a nominal LIHEAP benefit of $1 to $5 per year to low-income residents so that SNAP participants may receive higher SNAP benefits. This mechanism works by allowing SNAP participants who receive any LIHEAP amount to lower their net income—the factor used to determine SNAP benefits—by claiming a higher standard utility allowance (SUA). S. 3240 and H.R. 6083 raise the minimum LIHEAP benefit required to claim a higher SUA to $10 per year.

- **Non-cash categorical eligibility:** Under current law, states may confer SNAP eligibility on anyone receiving pure cash or non-cash benefits from Temporary Assistance for Needy Families, state General Assistance, or Supplemental Security Income. Non-cash benefits could include information in the form of a brochure, or the receipt of childcare or counseling services. States have various gross income thresholds for non-cash TANF benefits, ranging from 130 percent of the federal poverty level (consistent with federal income eligibility standards) to as high as 200 percent; 36 states do not apply an asset test. To receive benefits, however, *net income* must be below 100 percent of the federal poverty level.16 There are some federal and state exceptions for the elderly and disabled. H.R. 6083 would eliminate non-cash categorical eligibility.

**Who receives SNAP benefits?**
The Supplemental Nutrition Assistance Program is intended for low-income people; both households and individuals can qualify for benefits. The average length of time for a recipient to remain in the program is nine months.17

- On average, the Supplemental Nutrition Assistance Program provided benefits to more than 44.1 million people living in more than 20.8 million households each month in 2011.18 Of these recipients, 19.9 million were children and 3.8 million were elderly.19 Thirty-seven percent of households identified as White, 23 percent as African American, 10 percent as Hispanic, and 24 percent as other categories.20 Almost half of participating households included children, and 56 percent of these households were headed by a single parent.21 Twenty percent of households included a disabled non-elderly adult family member, and 16 percent had an elderly family member.22

- Some 13.1 million SNAP participants were school-age children.23 Children in households that receive SNAP benefits are directly enrolled in the National School Lunch Program and School Breakfast Program to ensure that they receive adequate nutrition during the school day, which not only streamlines state administration of these programs, but also ensures timely access to school meals. Nearly all of these children (95 percent) qualified for a free meal based on their households’ gross income at or below 130 percent of the federal poverty level.24

- Approximately 97.6 percent of SNAP households had net incomes at or below the poverty line.25 More than 42 percent of SNAP families were living in deep poverty, meaning their gross
monthly incomes were less than 50 percent of the federal poverty level; for a family of two that equals $632 or less per month.26

INITIAL FINDINGS—IMPACTS OF S. 3240 AND H.R. 6083 ON SNAP ELIGIBILITY AND BENEFIT LEVELS

According to the CBO, each of the two farm bill proposals results in substantial savings and could make a contribution to the national priority of reducing the federal deficit. S. 3240 would result in an estimated savings of $23 billion over 10 years, including $4 billion from the proposed changes to SNAP.27 H.R. 6083 would save an estimated $35 billion over 10 years, with $16 billion coming from the proposed changes to the Supplemental Nutrition Assistance Program.28 CBO does not include an assessment of any potential health-related costs, however.

The proposed changes to SNAP will also affect who is eligible for the program, the benefit amounts that participants receive, and participation in other federal programs such as Medicaid and the National School Lunch and Breakfast Programs. The analysis below breaks down the proposed changes to dollar amounts and considers how they may affect health.

Initial Findings: impacts by the numbers

Impact of S. 3240 on SNAP benefit levels
The proposed changes under S. 3240 would mainly affect benefit levels for current SNAP participants. Increasing the minimal Low Income Home Energy Assistance Program benefit needed to claim the higher standard utility allowance would make it available to fewer SNAP participants. This could result in:

- Reducing the monthly benefits received by an estimated 294,000 (using the MATH SIPP+ microsimulation model), or approximately 500,000 current SNAP households according to CBO’s estimate.29
- Lowering the average SNAP payment in those households by an average of $67 using the MATH SIPP+ microsimulation model, or $90 per month per CBO.30 This breaks down as approximately:31

Methods and Data Sources
To estimate impacts on the number of people eligible for SNAP and the benefits they receive, this analysis employs two models used by the USDA: 1) the Quality Control (QC) Minimodel, which draws on a statistical sample of monthly state participants to assess the accuracy of eligibility determinations and benefit calculations, and 2) the MATH SIPP+ microsimulation model, which references data from the Survey of Income and Program Participation (SIPP). Both models are able to estimate the cost and participation effects of proposed changes to SNAP. The QC Minimodel estimates are based on actual participants but do not include comprehensive data on their assets, whereas the MATH SIPP+ database simulates participant behavior based on state rules and includes monthly information about assets and expenses.

We use the MATH SIPP+ microsimulation model to predict impacts from S. 3240 because it includes up-to-date state rules for energy assistance programs. For H.R. 6083, we present both the QC Minimodel and the MATH SIPP+ estimates to represent the range of potential impacts. Because under H.R. 6083 many current participants would now be subject to an asset test, the QC Minimodel (lacking complete asset information) may underestimate the potential impact, while the MATH SIPP+ database may offer a more accurate estimate of the number of people who would be affected. The CBO uses the QC database (the source data for the QC Minimodel) in its scoring of both bills.

Our analysis draws upon a systematic review of the literature. In addition, we conducted key informant interviews with state and local SNAP administrators regarding the impacts on program administration.
- $76 less per month for households with an elderly person
- $69 less per month for households with a disabled person
- $67 less per month for households headed by a single female
- $68 less per month for households with a veteran
- $68 less per month for households that are food insecure

Impact of H.R. 6083 on SNAP eligibility
H.R. 6083 implements the same proposed changes to the Low Income Home Energy Assistance Program nominal benefit as S. 3240. In addition, the House bill eliminates non-cash categorical eligibility. Tabulations using the QC Minimodel estimate that 760,000 households would lose eligibility. However, using the Math SiPP+ microsimulation model (which is better able to estimate assets), the number of households that would lose eligibility could be as many as 2.7 million. The range of estimated impacts that follows was derived using both models:

- Between 88 percent and 96 percent of current SNAP recipients would remain eligible
- Of the 760,000 to 2.7 million SNAP households that would lose eligibility, approximately:
  - 384,000 to 810,000 are households with children
  - 193,000 to 209,000 are households headed by a single female
  - 162,000 to 771,000 are households with an elderly person
  - 120,000 to 318,000 are households with a non-elderly disabled person
  - 7,000 to 11,000 are households with a veteran
- As many as 4,000 are households with an active military member
- Between 1.7 million and 5.1 million individuals would lose eligibility, including:
  - 821,000 to 2.8 million adults under 60 years of age
  - 691,000 to 1.4 million children under 18 years of age
  - 204,000 to 876,000 elderly persons
- Using a model that includes assets, roughly 83 percent of those who would lose SNAP eligibility live in households that have net incomes below the poverty line. This means that after accounting for expenses such as childcare, most people who would lose SNAP benefits are living in poverty.

Impact of H.R. 6083 on the income of those who remain in the program
Mainly because of the changes related to the Low Income Home Energy Assistance Program nominal benefit, H.R. 6083 may decrease household income by an average of $67 to $86 per month for an estimated 279,000 to 1.5 million households that would still be able to participate in SNAP but with reduced benefits. This may include, for example:

- $60 to $81 less per month for households with children
- $67 to $80 less per month for households headed by a single female
- $72 to $99 less per month for households with an elderly person
- $69 to $104 less per month for households with a disabled person
- As much as $71 less per month for households that are already food insecure

Impact of H.R. 6083 on the income of those who lose eligibility
Households that lose eligibility due to H.R. 6083 may have a reduction in SNAP benefits ranging from $228 to $74 per month. This may include, for example:
- As much as $120 less per month for households with children
- As much as $114 less per month for households headed by a single female
- As much as $23 less per month for households with an elderly person
- As much as $39 less per month for households with a disabled member

Impact of H.R. 6083 on eligibility for other federal programs important to health
Participants in the Supplemental Nutrition Assistance Program are eligible for and/or receive benefits from a range of ancillary services and assistance programs, including Medicaid, the National School Lunch and Breakfast Programs, and other community-based services. Opportunities for low-income individuals to receive these types of referrals and utilize these services would decrease as a result of SNAP ineligibility.
- As many as 521,000 low-income, non-elderly adult heads of households would lose automatic enrollment in Medicaid and could face additional barriers to obtaining medical treatment.\(^{41}\)
- 465,000 to 1.2 million school-age children eligible for free or reduced-price meals may lose SNAP eligibility and therefore not be able to directly certify for the National School Lunch Program. Among those children, 72,000 to 1 million children would qualify for a free meal (household gross monthly income below 130 percent of the federal poverty line).\(^{42}\)
- Because fewer students may directly certify, school staff may experience increased administrative burden to separately determine eligibility for low-income students who are no longer eligible for SNAP, and these children may have to wait longer to get access to food at school.\(^{43}\)

INITIAL FINDINGS—IMPACTS OF THE PROPOSED CHANGES TO SNAP ELIGIBILITY AND BENEFIT LEVELS ON HEALTH

Impact on ability to afford basic needs important to health
As discussed above, S. 3240 will reduce benefits for 294,000 to 500,000 current SNAP households. Under H.R. 6083, up to 5 million people would no longer be eligible to receive SNAP benefits. Under both bills, households with an elderly or disabled person will see a larger decrease in benefit levels compared to other SNAP recipients.

A loss of income compromises a household’s ability to afford food, medications, housing, and home heating or cooling—all of which are important to health.\(^{44}\) The health implications of these changes include:
- **Food security and nutrition:** A family of two living at the poverty line has just over $3 per person per day to spend on food.\(^{45}\) Approximately 25 percent of households that would receive lower benefits through S. 3240 and H.R. 6083 are food insecure.\(^{46}\) Benefit loss ranging from, on average, $67 to $86 per month as predicted under S. 3240 and H.R. 6083 could reduce a household’s total food spending by $4.69 to $6.02 per month.\(^{47}\) This is the equivalent of roughly *two fewer days of food for someone in that household each month.*\(^{48}\)
- **Illnesses related to housing and home energy use:** A family of two living at the poverty line spends an average of $639 on housing and home energy per month—over half their monthly income.\(^{49}\) Under the proposed policies, the household’s spending on housing and energy...
would decrease by $22 to $28 per month, increasing the risk of living in substandard housing and related medical problems such as:

- **Burns and carbon monoxide poisoning**: Families struggling to pay for home heating often turn to unsafe heat sources such as ovens or space heaters to lower heating costs, increasing the risk of fire, burns, injuries, and carbon monoxide poisoning. In 2010, heating equipment was involved in 57,100 home fires, resulting in 490 deaths and 1,530 injuries. These fires cost an estimated $1.1 billion in direct property damage. Children from low-income families are five times more likely to die in a fire than those from higher-income families.

- **Asthma**: Low-income households are more likely to live in substandard housing conditions that create health risks. For example, poor indoor air quality caused by leaky roofs, improper ventilation, old carpets, or pests can trigger asthma, the third-ranking cause of hospitalization for children under 15 years of age. Childhood asthma costs an estimated $3.2 billion per year and, in 2008, resulted in 14.4 million lost days of school among children nationally. Asthma-related school absences lead to an annual estimated $719 million of lost productivity ($285 per child with asthma). Adults lose 14.2 million days of work per year due to asthma.

- **In-home injuries**: Substandard housing creates a major risk for unintentional injuries during play and from falls, fires, and poisoning, leading to more than 33,000 deaths and more than 4 million emergency department visits each year. The economic impact of these injuries is estimated at $135 billion annually.

- **Inadequate medical care**: Spending on health care may decrease by $2.00 to 2.50 per month for a family of two. Research shows that, under financial stress, people often forego needed medical treatments, such as taking the appropriate dose of a prescribed medication.

**Impact of reduced income on mental and physical health**

Living in poverty increases the risk for a range of health problems. S. 3240 and H.R. 6083 would increase the depth and severity of poverty for many of the families affected. The health implications include:

- **Obesity, diabetes, and heart disease**: Low-income individuals are more likely than high-income individuals to self-report being diabetic (10 percent versus 5 percent) or having had a heart attack (5 percent versus 3 percent), a stroke (4 percent versus 2 percent), or high blood pressure (30 percent versus 18 percent). According to one estimate, for example, a 5 percent increase in the proportion of Americans living below 200 percent of the federal poverty level could, over time, be associated with an increased prevalence of diabetes of roughly 1.2 million cases, and an estimated additional cost of $8 billion for health care.

- **Anxiety and depression**: The financial pressures and volatility experienced by low-income households can cause stress, anxiety, depression, and generally a reduced sense of life quality. Food insecurity compounds these health issues. Low-income adults are less likely than higher-income adults to report their health status as being very good or excellent (33 percent versus 63 percent) and more likely to rate their health status as fair or poor (32 percent versus 10 percent).

- **Poor child health**: Mothers with incomes below the poverty line are more likely than higher-income mothers to report their child as being in poor or fair health.

- **Behavioral and emotional problems**: Living in poverty increases the risk that children will experience harmful levels of stress and exhibit severe behavioral and emotional problems. Poor mental health among school-age children and youths can have negative implications for academic
performance, school attendance, peer relations, conflict with family or authority figures, substance abuse, and cognitive and social development.\textsuperscript{67}

**Impact on progress toward achieving national health objectives**

Healthy People 2020 establishes the federal government’s health objectives, which include:

- Attain high-quality, longer lives free of preventable disease, disability, injury, and premature death,
- Achieve health equity, eliminate disparities, and improve the health of all groups; and
- Create social and physical environments that promote good health for all.\textsuperscript{68}

Evidence provided in this health impact assessment shows that low-income Americans have disparately high rates of many illnesses and that the changes proposed in both S. 3240 and H.R. 6083 would increase the financial stress on those affected. Because of the links between income and health described in the preceding section, both bills have the potential to worsen the health status of current SNAP recipients who lose or receive lower benefits, and, therefore, to worsen current health disparities. For this reason, the proposed changes to eligibility and benefits in these bills conflict with both the objective of reducing health disparities and the objective of creating social environments that promote good health for all. The magnitude of this impact is greater for H.R. 6083 than for S. 3240 given the larger number of people affected.

**Initial Findings: other impacts of the proposed changes to SNAP**

**Impact of S. 3240 and H.R. 6083 on the economy**

Changes in the amount of SNAP dollars a household receives may have repercussions for community revenue and employment, as reflected by the statistics below. Estimates of the economic impacts reflect the short-term, direct effects of a sudden reduction in SNAP spending. While there are positive long-term economic impacts that could result from deficit reduction, determining the net impact on the economy of this policy decision is beyond the scope of this analysis. The analysis does not consider how the economic impacts of the Supplemental Nutrition Assistance Program compare to the positive economic effects of deficit reduction that could occur over the longer term.\textsuperscript{69}

The short-term, direct effects of the proposed reductions in SNAP spending include:

- Every $5 in federal expenditures on the Supplemental Nutrition Assistance Program generates $9 in community spending.\textsuperscript{70} As proposed, the SNAP benefits that would be lost through S. 3240 and H.R. 6083 could potentially generate between $3.3 million and $1 billion in community spending in 2013.\textsuperscript{71}
Households that qualify for SNAP benefits spend an estimated 45 percent of their income on taxable goods, generating revenue via sales tax. In California, where data are available, if all eligible individuals participated in SNAP, $86 million of additional sales tax revenue would be generated for the state general fund. An additional $51 million would be generated for county budgets through state and local taxes. Decreased SNAP benefits may, therefore, have implications for state revenues.

Every $1 billion reduction in SNAP will result in the loss of approximately 14,000 American jobs, including 7,000 jobs in food manufacturing and agriculture of which an estimated 3,000 are farm jobs. S. 3240 would cut $4 billion to the Supplemental Nutrition Assistance Program, which would lead to an estimated 5,600 jobs lost annually. H.R. 6083 would cut $16 billion, which would lead to an estimated loss of 22,400 jobs annually. The potential effect of these cuts on jobs contradicts the current efforts to reduce unemployment.

All SNAP recipients use an electronic benefit transfer (EBT) card to pay for food. Current law permits retail food stores to request a point-of-sale terminal that accepts the cards. The cost of leasing this equipment from the state’s EBT contractor is split between the states and the federal government. S. 3240 and H.R. 6083 will require all retailers to assume the full cost of the equipment. CBO estimates that eliminating the federal shares of these costs would create a cost saving for the federal government of $7.9 million annually.

Impact of S. 3240 and H.R. 6083 on SNAP administration and program integrity

Between 2000 and 2011, the U.S. Department of Agriculture (USDA) estimated that the rate of payment errors in the program declined from 8.9 percent to 3.8 percent, the lowest rate in the program’s history. Despite the improvement, 3.8 percent still accounted for $2.5 billion in FY 2011. Members of Congress have proposed changes in part to further improve the integrity of the program. For example, the House Agriculture Committee called the practice of giving $1 LIHEAP checks to SNAP households in order to raise their benefit amounts an “egregious” abuse of the program. The changes proposed to the Low Income Home Energy Assistance Program nominal benefit by both the House and Senate will likely reduce but not eliminate this practice.

The GAO found that recent increases in the use of “broad-based categorical eligibility,” defined as conferring SNAP eligibility to people found eligible to receive a nominal non-cash TANF benefit such as a brochure, “has a potentially negative effect on program integrity” because gaps exist in USDA’s review of state procedures, and states vary in their approaches to implementing categorical eligibility. GAO also found, however, that the total amount of benefits provided in error to households with incomes over federal thresholds would likely be relatively small. Moreover, the increased use of broad-based categorical eligibility corresponded with the time period (2000-2010) when error rates declined substantially. Recognizing the administrative and programmatic benefits of broad-based categorical eligibility, GAO concluded that the administrative concerns could be addressed through improved oversight by USDA.

Eliminating non-cash categorical eligibility could reduce the risk of erroneous payments to people above the federal gross income and asset requirements, but such an action could also result in problems for states’ administration of the program. State SNAP administrators emphasize that increasing the nominal Low Income Home Energy Assistance Program amount and removing categorical eligibility will
compound the complexity of administering the program. The magnitude of the impact will vary based on the extent to which each state utilizes the standard utility allowance and/or non-cash categorical eligibility. Specific concerns raised in interviews with SNAP administrators include:

- Additional staff time to verify the lack of assets and utility expenditures for each applicant: In many cases, this will result in a duplicative process in which income and assets will need to be verified for other programs such as Temporary Assistance for Needy Families or state general assistance.
- Increased potential for error due to changes in the state’s quality control systems and increased time from application submission to delivery of benefits: Both issues could cause states to fall out of compliance with federal regulations and incur USDA penalties, as well as result in a loss or delay in benefits.
- Higher state administrative costs associated with the need to modify state computer systems, reprint paper-based or modify web-based applications and manuals, and retrain staff.
- Increased administrative burden for school staff because eligibility for the National School Lunch Program will need to be determined separately for the low-income students who are no longer eligible for SNAP.
- Administrators also expressed concerns about the elimination by H.R. 6083 of the performance incentives offered by USDA for states that reduce their SNAP error rates. Administrators felt that continuing them and reinvesting in SNAP administration could increase the efficiency and integrity of the program.

**CONCLUSION**

Both S. 3240 and H.R. 6083 offer the potential for deficit reduction through lowering federal spending on SNAP. At the same time, the proposed changes under both S. 3240 and H.R. 6083 may place the health of low-income Americans at risk by eliminating or reducing benefits, and would therefore conflict with the high-priority federal objective of reducing health disparities. Moreover, as shown in the analysis above, the health risks identified as a result of the proposed policy changes could also contribute to the health care costs, and ultimately have implications for state and federal medical spending as well.

The effects of H.R. 6083 are more extensive than S. 3240 in terms of the number of people affected and the range of effects: between 1.7 and 5 million individuals (most with net incomes below the federal poverty line) would lose eligibility; for those who remain eligible, between 279,000 and 1.5 million people would receive lower benefits. Moreover, eliminating non-cash categorical eligibility would also end direct certification for free and reduced-price school meals for up to 1.2 million low-income students.

**RECOMMENDATIONS**

In arriving at a final decision on whether to accept the changes to SNAP eligibility and benefit levels such as those that have been proposed in either S. 3240 or H.R. 6083, Congress should consider the possible conflicts with established federal health objectives, and weigh the potential benefit of deficit reduction against the health risks identified in this analysis.
In addition, we suggest the following specific actions:

1. **Asset test**: The asset limit of $2,000 for SNAP participation has not been adequately adjusted for inflation in more than two decades and has fallen 48 percent in inflation-adjusted terms since 1986. This analysis found that many families with incomes below the poverty line could lose benefits because of modest assets. A limited amount of savings is an effective way to prevent poverty and reduce the need for public assistance. Raising the current asset limit would remove disincentives to save and build assets for families who have net incomes below the poverty line but would lose eligibility based on assets; this change would promote economic mobility and self-sufficiency for low-income families. The asset limit should be set at a level equivalent to the amount that would allow the household to subsist at the federal poverty level for three months. For a family of three, this has been estimated at $4,632 in FY 2011.\(^1\)

2. **Monitoring and Verification Procedures (S. 3024 and H.R. 6083)**: In order to promote innovation among state SNAP administrators that increases the integrity of the program and efficiency in serving target populations, require states awarded performance incentive funds to reinvest in the Supplemental Nutrition Assistance Program (as provided in S. 3240) or other federally funded nutrition assistance programs and offer states the discretion to determine the specifics of the reinvestment. Congress should strengthen monitoring and verification procedures to minimize erroneous payments, and to monitor and assess the health impacts on any group ineligible for benefits under the new policy.
   a. If any changes to current eligibility or benefit levels are enacted, Congress should fund and require USDA to develop and conduct an appropriately designed study to monitor and evaluate the health effects identified in this HIA. This will facilitate public health efforts to track and respond to any effects on rates of medical problems and health disparities that may be impacted by this policy change.

3. **Phase-in Period for Changes to Nominal Low Income Home Energy Assistance Program benefit (S. 3024 and H.R. 6083)**: Should the nominal Low-Income Home Energy Assistance Program benefit minimum amount be increased to more than $10.00, Congress should extend the phase-in period of 180 days and adjust the Supplemental Nutrition Assistance Program performance measures to allow state SNAP administrators time to implement the standard utility allowance policy change in a staged manner that permits states to maintain SNAP program integrity.

4. **Guidance to Simplify Dual Administration of SNAP and Medicaid (H.R. 6083)**: In January 2014, under the Affordable Care Act, states that do not opt out will implement a Medicaid expansion and will no longer consider assets in determining Medicaid eligibility. Eliminating non-cash categorical eligibility as proposed in H.R. 6083 would require states to verify assets for SNAP recipients. If non-cash categorical eligibility is eliminated, Congress should require the U.S. Department of Health and Human Services and USDA to promulgate guidance regarding opportunities to simplify states’ dual administration of SNAP and Medicaid under the Affordable Care Act beginning in 2014. The guidance should address options for cross-program adoption of eligibility determination criteria, including assets and income.
References


15. The Low Income Home Energy Assistance Program (LIHEAP) is federal block grant that assists eligible low-income households with their heating and cooling energy costs.


19. Ibid.


22. Ibid.
eligibility beyond multiplies the total number of households headed by a non-elderly adult. The estimate assumes similar distributions of non-elderly adult populations and income within those households across states. However, the estimate likely represents a lower bound for the estimated impacts of H.R. 6083 as implementation of the Affordable Care Act in 2014 will expand Medicaid eligibility beyond the current state policies in states that do not opt out.


As specified in the American Recovery and Reinvestment Act of 2009 (ARRA), the maximum benefit was set to 113.6 percent of the June 2008 Thrifty Food Plan (TFP) beginning in April 2009. The TFP is USDA’s standardized set of foods (a “market basket”) used to estimate the cost of a nutritious diet. The ARRA provision, which was still in effect in fiscal year 2011 when these figures were estimated, will expire on October 31, 2013. At this point, benefit levels will decrease to 100 percent of the cost of the TFP in the preceding June. This estimate includes the additional increase in benefit levels due to ARRA in 2011.


Unpublished tabulations from Mathematica based on data described in J. Leftin and K. Filion. Unpublished tabulations using MATH SIPP+ microsimulation model. (Washington, D.C.: Mathematica Policy Research, 2012) only. We are unable to estimate benefit-level changes for specific household types that lose eligibility in the MATH SIPP+ microsimulation model at this time but will provide those estimates in future analyses. Data available upon request.

Estimate based on author tabulations using QC output for state-by-state changes in eligibility under H.R. 6083 and Kaiser Family Foundation State Health facts “Medicaid Income Eligibility Limits for Adults as a Percent of Federal Poverty Level, July 2012” (http://www.statehealthfacts.org/). The number was calculated by determining the proportion of households per state that lose eligibility according to income in poverty range eligible for Medicaid under existing policies. This proportion was multiplied by the total number of households headed by a non-elderly adult. The estimate assumes similar distributions of non-elderly adult populations and income within those households across states. However, the estimate likely represents a lower bound for the estimated impacts of H.R. 6083 as implementation of the Affordable Care Act in 2014 will expand Medicaid eligibility beyond the current state policies in states that do not opt out. Data available upon request.


69. For example, the CBO has analyzed short versus long-term implications of deficit reduction through reduced federal spending: Congressional Budget Office, Economic Effects of Reducing the Fiscal restraint That Is Scheduled to Occur in 2013. (Washington, D.C.: May, 2012.)
73. T. Shimada. "Lost Dollars, Empty Plates: The Impact of CalFresh Participation on State and Local Economies." (California Food Policy Advocates, February 2012)
74. Estimated impacts of S. 3240 and H.R. 6083 on job losses was based on an IMPLAN model that found 14,000 jobs lost for every $1 billion cut from SNAP (Thompson and Garrett-Peltier. The Economic Consequences of Cutting the Supplemental Nutrition Assistance Program. Center for American Progress. March 2012). Annual estimate of jobs loss was calculated by multiplying the total billions that would be cut from SNAP by 14,000, divided by 10 (since cuts are over 10 years).
79. Ibid, pg 41.
80. A purposeful sample of state and local SNAP administrators were interviewed by phone for the initial findings presented herein. State and local SNAP programs were identified based on having a LIHEAP program, adoption of broad-based categorical eligibility, and the size of the SNAP population served.