

THE POLICY PAGE

An Update on State and Federal Action

Center for Public Policy Priorities

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FOOD STAMP ACCESS BILLS WILL INCREASE IMPACT OF CHILDREN'S MEDICAID SIMPLIFICATION

Many readers are aware that bills to simplify eligibility for Children's Medicaid are under consideration by the 77th Texas legislature. Advocates for children's health and low-income families should also be aware of important bills that would broaden the impact of children's Medicaid simplification, by simplifying access to Food Stamp benefits for low-income working families. This Policy Page describes the Food Stamp bills, how they complement the Medicaid simplification bills, and what you can do to support Food Stamp simplification. A separate Policy Page on the status of children's Medicaid simplification bills will follow shortly.

HB 475/SB 184: TELEPHONE INTERVIEW AND RECERTIFICATION FOR FOOD STAMPS

The Texas Department of Human Services (DHS) recently estimated that 56% of Texas Medicaid enrollees who are not aged or disabled are in families that also receive Food Stamp benefits. Unless rules are changed to allow telephone or mail-in recertification for Food Stamps, families using a mail-in application and recertification process for children's Medicaid would still have to attend face-to-face appointments (in many cases more than twice per year) at a DHS office to keep their Food Stamp benefits.

By eliminating the face-to-face application and recertification requirement for Food Stamps for low-income working parents and parents in job training in favor of a telephone interview, SB 184 by Zaffirini and HB 475 by Naishtat will make it easier for these families to maintain both Food Stamp and children's Medicaid benefits, without costly and time-consuming trips to the DHS office. These bills also allow phone-in interviews for seniors and persons with disabilities, provided they have no earned income, and for families facing other hardship situations.

At present, 64% of Food Stamp recipients (not receiving Temporary Assistance to Needy Families - TANF) who are working or in job training must recertify for Food Stamp benefits at least every three months. This is a time-consuming process that can take several hours and require

several trips to the eligibility office. DHS uses short certification periods to keep track of changes in clients' circumstances that might affect the amount of Food Stamps they are entitled to. This allows the agency to maintain a very low error rate in the program, which in turn has earned them over \$46 million in enhanced federal funding. Allowing phone-in recertification will make it easier for families to get Food Stamps, without jeopardizing the success DHS has had in the area of program integrity.

FOOD STAMP AND MEDICAID ELIGIBILITY RULES

Food Stamp eligibility is capped at 130% of the federal poverty level (FPL), so most children who qualify for Texas Medicaid could also qualify for Food Stamps. Although income eligibility for these programs is similar, the value of the two benefits for a working family is not necessarily equal. This is because the dollar value of the Food Stamp benefit decreases as family income increases, while Medicaid coverage remains unchanged. A family at or near the Food Stamp income upper limit may only receive a modest Food Stamp benefit, whereas the Medicaid coverage for the child would have the same value as for a child in a family with no income at all. Another major difference between current rules for the two

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¹ Eligibility for Medicaid varies according to both the child's age and family's income. Children under age 6 are eligible with family income up to 133% of the FPL, while children ages 6-19 must be from families with income under 100% of the FPL.

programs is that one vehicle is exempted for children's Medicaid, but <u>not</u> for Food Stamps.

SUMMARY OF THE MEDICAID SIMPLIFICATION BILLS

Bills to simplify application and recertification for children's Medicaid have been heard by the House Public Health and Senate Health and Human Services Committees. These bills would make the children's Medicaid process the same as is in place for Texas CHIP, by eliminating the required face-to-face interview at a DHS office, dropping the assets test, and adopting 12 months of continuous eligibility. Bills that have had hearings are HB 825, 826, 827, and 828, and SB 43, 373, 374, 375, and 376. Several other bills have been filed but not set for hearing: HB 1604, HB 2541, and SB 156.

HB 2251/SB 1008: CHANGING THE FOOD STAMP VEHICLE LIMIT TO PROMOTE SELF-SUFFICIENCY

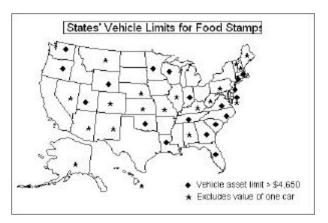
Under current policy, a family applying for Food Stamps cannot have more than \$2,000 in countable resources (\$3,000 if the household includes a senior or person with a disability). The fair market value above \$4,650 of most vehicles is counted toward the maximum \$2,000 resource limit; as a result many working poor families with a reliable vehicle may not be eligible for Food Stamps.

THE FOOD STAMP VEHICLE LIMIT.

In the <u>23 years</u> since the limit was originally set at \$4,500, it has been increased only \$150—or about three percent—while the CPI-U for used cars has <u>nearly tripled</u>. For the vehicle limit today to have the same real value that the \$4,500 limit had in 1977, it would need to be set at more than \$12,800. As a result, the vehicle limit has a far more restrictive effect on working poor families today than Congress intended when it established the limit.

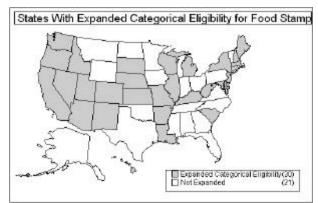
Last year, Congress passed a law that gives states the option of using the same rules for Food Stamps as they use to count the value of a vehicle under their TANF program. Under the TANF program, states have complete flexibility to set more realistic vehicle policies. Many states have recognized the importance of allowing working parents to own a reliable car and still qualify for TANF. Thirty-nine (39) states have established vehicle policies for cash assistance that are far more generous than the Food Stamp Program's rules. Twenty (20) states exempt one vehicle entirely for the purposes of the TANF resource test.

SB 1008 and HB 2251 (originally included in HB 475), also by Zaffirini and Naishtat, would exempt one vehicle for purposes of both the TANF and Food Stamp resource tests. This change also will bring Food Stamp and TANF vehicle policy in line with Children's Medicaid policy, which currently exempts one car entirely for the assets test.



HB 475/SB 184: CHANGING THE FOOD STAMP RESOURCE LIMIT TO PROMOTE SELF-SUFFICIENCY

Texas also has the option to allow *families with children* with resources above the \$2,000 limit to get Food Stamps, provided they are still eligible for some kind of TANF-funded service. Under federal law, states can use TANF dollars to fund a variety of programs and services beyond TANF "cash assistance," the basic welfare program that replaced AFDC (Aid to Families with Dependent Children). States are also free to set the resource and income limits for TANF-funded programs or services at any level they choose. Many states have used this



flexibility to raise asset limits to allow for some prudent savings—such as a decent car or some savings for a home, education, or retirement—to help low-income families make the transition to self-sufficiency. States can then grant so-called "categorical eligibility" for Food Stamps to all families who qualify for any of these TANF-funded programs or services, even if their resources exceed the Food Stamp program's \$2,000 limit. This allows low-income families with children, in particular those who have recently left welfare and are working for the first time, to build some prudent savings while getting Food Stamps.

SB 184/HB 475 direct Texas to take advantage of the federal option to provide Food Stamps to any family with children who is eligible for or receiving a TANF-related service, as thirty (30) states have already done. **Note:** These bills also include the phone-in interview option described above.

HOW YOU CAN HELP

All of these bills have had public hearings before the House Committee on Human Services and the Senate Committee on Health and Human Services. While most of them are "pending" in committee—waiting for final budget decisions to be made—HB 475 has been voted favorably from the House Committee on Human Services and sent to the House Committee on Calendars, which will schedule the bill for a vote by the full House. Readers interested in supporting these bills can take the following actions:

HB 475 – Contact the members of the House Committee on Calendars and ask them to schedule HB 475 for a floor vote ASAP (see committee list below).

All Bills – Contact your representative or senator to let them know how important these bills are, and urge them to support them. To find out who your representative and senator are, call 1-877-824-7038, or go to the Texas Legislature Online's Web site at http://www.capitol.state.tx.us/.

\$Show me the money\$ - If your representative or senator is a member of the House Appropriations or Senate Finance Committees, call them and urge them to appropriate the funding necessary to support HB 2251/SB

1008 (\$4 million in General Revenue; \$9.5 million in TANF block grant funds for the biennium.) Be sure to tell them that while these bills will cost the state \$13.4 million in state money and TANF funds, they will also bring in over \$55 million in federal Food Stamp revenue. (For membership on the budget committees, go to http://www.capitol.state.tx.us/tlo/cmte.htm.)

For more information and talking points on these bills, visit our web site at http://www.cppp.org/ and check out the testimony on SB 184 and SB 1008, or contact Celia Hagert at 512-320-0222.

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