

Frequently Asked Questions:

AB 1560 (Fuentes) Food for Health: Aligning Medi-Cal and Nutrition Assistance

AB 1560 provides low-income Californians with a comprehensive benefits package to support health. It removes one of two CalFresh income barriers for Medi-Cal recipients and their families to ensure that when Californians receive health coverage, they can also access nutrition benefits, and their children will be directly certified to receive free school meals.

Have questions? Please contact Kerry Birnbach at 510-433-1122 x 110 or kerry@cfpa.net

Under the current regulations, don't most people who receive Medi-Cal already qualify for CalFresh?

An estimated 30-33% of Medi-Cal recipients¹ are eligible for CalFresh, but 1.2 million of those Medi-Cal recipients do not participate. These households lose out on approximately \$113 million federal nutrition benefits in an average month in FY 2012. Because of misconceptions around their eligibility, stigma, or a burdensome application process, many eligible Californians miss out on CalFresh. This bill would draw a closer connection between Medi-Cal and CalFresh, encouraging many of these households to apply.

Additionally, this bill would streamline CalFresh eligibility for 227,000 additional Californians in a household with a Medi-Cal recipient. Eighty-five percent of the households that would be newly eligible contain children, and 99% of newly eligible households have earnings. In the future, AB 1560 will help to ensure that Californians who are newly eligible for Medi-Cal in 2014, when Medi-Cal eligibility will include people with gross incomes up to 138% FPL, as well as select groups that were previously covered (refugees, people with disabilities, seniors, etc.), can benefit from CalFresh.

Some Medi-Cal recipients may not apply for CalFresh because they believe their income is too high, or they won't qualify if they are employed- this bill would eliminate that misconception and clarify that all Medi-Cal recipients (with gross income up to 200% of the Federal Poverty Level- FPL) are income-eligible for CalFresh. Establishing a direct eligibility between CalFresh and Medi-Cal will ensure that low-income Californians access both benefits instead of one.

In doing so, the eligibility determinations made for Medi-Cal will apply to CalFresh enrollment, and net income will determine the amount of CalFresh benefits that applicants receive.

How will CalFresh and Medi-Cal be 'aligned'?

Under current rules, the general gross income threshold for CalFresh is 130% FPL. Presently,

¹ excluding people who are categorically ineligible to receive CalFresh, such as SSI recipients

Medi-Cal eligibility is not connected with one specific income threshold; thresholds can vary for different applicants (currently, Medi-Cal eligibility uses age, disabilities, and income to determine if someone is qualified). As such, this proposal would remove the CalFresh gross income test for Medi-Cal recipients and their families.

An enrollment tool known as Categorical Eligibility (Cat-EI) permits states to remove the gross income and/or asset test for nutrition assistance by giving applicants access to a Temporary Assistance for Needy Families (TANF, known as CalWorks in California) funded benefit.

States can align SNAP (CalFresh) eligibility with the rules they use to determine TANF benefits/services. By making a TANF benefit (in the form of a brochure or hotline) available to a wider population (in this case, the Medi-Cal population), California can consider those people income-eligible for CalFresh because they receive TANF services (even though they are not formally enrolled in TANF).

In 2008, California used “Cat-EI” to successfully remove the asset test from CalFresh. Through additional legislation, applicants are no longer subject to car rules, asset tests, frequent reporting, or finger imaging requirements. This proposal builds on these efforts to simplify CalFresh enrollment.

Have other states raised income thresholds for CalFresh (federally known as SNAP)?

Yes. 43 states have used Cat-EI to eliminate the asset test for SNAP eligibility. 27 of those states have also removed the gross income test for recipients (Gross income thresholds vary from 165%, 185% to 200% FPL). To see which states have implemented this strategy, go to <http://www.fns.usda.gov/snap/rules/Memo/BBCE.pdf>

Why doesn't this proposal raise the income thresholds for *all* CalFresh recipients, not just Medi-Cal?

In the past, because of administrative costs associated with processing each CalFresh application, estimates regarding a higher income threshold for all recipients highlighted cost and efficiency concerns within government agencies. A higher income threshold would have boosted overall CalFresh participation, which includes many households that would receive low, or minimum, benefit amounts. The high processing costs were said to outweigh the economic impact of small benefit amounts (which eventually go back into the State):

When CalFresh benefits are spent, they boost California's General Fund. The costs of processing low-benefit households outweighed the amount of dollars going into the General Fund, which would have caused the state to lose money.

Narrowing the scope of this bill to cover the Medi-Cal population lessens the amount of low-

benefit cases that would be processed. In addition, the administrative costs of processing each case would be shared between Medi-Cal and CalFresh programs, making it more cost-efficient to process applications. Categorical eligibility is commonly used to streamline eligibility for specific populations- children with families, recipients of Earned Income Tax Credits, etc.

In 2014, because there will be a great increase in Medi-Cal enrollment, the federal government is providing financial support, in the form of high federal reimbursement rates, for Medi-Cal systems. With additional federal financial support covering the cost per case of Medi-Cal enrollment, low CalFresh administrative costs will make increased participation beneficial to the state.

At the federal level there has been talk of eliminating “Cat-EI.” Is it here to stay?

Over the last decade, there have been several attempts to eliminate “Cat-EI” as an enrollment tool at the federal level. Those attempts, however, have been unsuccessful due to growing support for vital services during tough times. Most recently, Senator Sessions proposed an amendment that would have eliminated “Cat-EI” from the FY2012 Agricultural Appropriations bill. The Senate defeated the amendment with a vote of 58-41. As such, and because there has been bi-partisan support to protect CalFresh/SNAP from budget cuts in previous years, “Cat-EI” is not likely to disappear.

How would this bill connect families with Medi-Cal to free school meals?

Under a rule known as [direct certification](#), children in households that receive CalFresh are automatically certified for free school meals. Through periodic data matching, school meal programs are able to identify children receiving CalFresh and certify them for free meals. Doing so simplifies burdensome paperwork for parents, and ensures that children get proper nutrition at home and in school.

Does this bill make people receiving SSI and MediCal eligible CalFresh?

No. All other rules regarding eligibility, including Cashout, would still apply.

What if people receiving Medi-Cal don’t want CalFresh benefits or free school meals?

Medi-Cal recipients can choose not to submit a CalFresh application or not accept the benefits. Although children will be automatically certified to receive free meals, they can elect not to participate or eat the offered meals. Parents are also notified of their children’s certification, and can choose not to participate.

Will this change the application process for Medi-Cal or CalFresh?

This bill will remove duplicative steps in the CalFresh application process for caseworkers. Caseworkers will only need to calculate income eligibility for Medi-Cal; they can then use that determination for a CalFresh application. When someone is deemed eligible for Medi-Cal, they will be notified that they are also income-eligible for CalFresh and can begin that application process. This bill formally connects Medi-Cal and CalFresh, and could simplify enrollment in both programs.

Have there been previous legislative efforts in California to do this?

Yes. Since 2002, there have been several attempts to use “Cat-EI” to eliminate the asset test and raise the gross income threshold for CalFresh applicants. As bills to expand “Cat-EI” made their way through the legislature, high cost estimates stalled legislation.

In 2006, Assembly Member Evans introduced [AB 2205](#), which used “Cat-EI” to remove the asset test and raise the income threshold for Medi-Cal recipients in order to boost CalFresh participation. Although the bill had the support of the legislature and Governor, large fiscal estimates prevented the bill from becoming law.

In 2007, Assembly Member Beall introduced [AB 433](#), which originally included a proposal to make Medi-Cal recipients categorically eligible for CalFresh. Because of high cost estimates and concerns of high take-up rates, the bill was amended several times. The [final compromise](#) did not include a higher income threshold, but did remove the asset test for CalFresh. Now, CFPA is looking to implement the other element of “Cat-EI”: a higher gross income threshold.

What are the benefits of this bill to California?

AB 1560 will:

- **Increase CalFresh participation among current and new Medi-Cal recipients.** Because there is no formal alignment between CalFresh and Medi-Cal, recipients of one program may not be participating in another program. This bill would streamline CalFresh eligibility for 227,000 additional Californians, and encourage the 1.2 million Medi-Cal recipients who are currently eligible but not participating to apply. In addition, because of health care reform set to start in 2014, many people will enroll in Medi-Cal that have never before been in contact with government services; this is an ideal opportunity to enroll these low-income households in multiple benefits.
- **Certify more children for free school meals.** Participation in school meals is low for a number of reasons. Directly certifying children minimizes less paperwork for parents and schools.
- **Reduce duplicative applications and calculations.** Caseworkers will no longer need to

determine CalFresh income eligibility for MediCal recipients. Parents will no longer need to fill out an application for their children to receive free school meals.

- **Connect nutrition and health by ensuring that people who receive public health insurance can also receive nutrition assistance.** Health coverage is not the only prerequisite to healthy living: CalFresh provides income support and extends the food budget of struggling households.
- **Draw down federal nutrition benefits into the local economy.** Increasing federally funded CalFresh benefits not only provides nutrition assistance to low-income Californians, but also provides an immediate stimulus to the economy. This bill can draw in an additional \$9.7 million in federal nutrition benefits. USDA has shown that every dollar in SNAP (known as CalFresh in California) expenditures generates \$1.79 in economic activity. Receiving CalFresh benefits allows households to redistribute income that would otherwise be allocated to purchasing food. A portion of this redistributed income can be spent on taxable goods, such as medication, which generates sales tax revenue for the state and counties.



For more information about AB 1560, please contact Kerry Birnbach at Kerry@cfpa.net or 510.433.1122 ext. 110 or visit www.cfpa.net