

CHAPTER VII
LINKAGE OF THE SUPPLEMENTAL SECURITY INCOME PROGRAM TO
MEDICAID AND THE FOOD STAMP PROGRAM

A. PREAMBLE TO CHAPTER

The Social Security Act and other Federal statutes mandate certain linkages between SSI and other programs. The nature of these linkages varies widely. For example, the SSI statute requires that SSI applicants file for all other benefits for which they may be eligible. (This includes, for example, retirement, survivors, and disability social insurance benefits.) The SSI law and other Federal statutes provide for income disregards (in whole or in part) which apply to benefits paid under other programs. Other statutory provisions address linkages with certain **noncash** benefits of other Federal programs, including some which are State-administered. In particular, Medicaid and the Food Stamp Program have eligibility conditions which specifically relate to persons eligible to receive an SSI payment.

The experts reviewed the linkages between the SSI program and Medicaid and the Food Stamp Program, with the view that the SSI benefit package should be considered in the context of the total impact of the three programs. In doing so, the experts noted existing disparities in the benefits and services available to SSI recipients nationwide.

During their public meetings, the experts had discussions with representatives from the Health Care Financing Administration and the Department of Agriculture concerning Medicaid and the Food Stamp Program, respectively. Also, they heard members of the public describe problems people encounter in connection with the relationships between SSI and other programs.

It was apparent to the experts that many SSI claimants are in need of improved access to Medicaid and the Food Stamp Program. This chapter addresses the experts' opinions regarding the appropriate linkages between these programs and SSI.

B. LINKAGE OF THE SUPPLEMENTAL SECURITY INCOME
PROGRAM AND THE MEDICAID PROGRAM

Background:

Prior to the SSI program, receipt of cash benefits from the former State administered programs of aid to the aged,

blind, or disabled made a person eligible for Medicaid (except in Arizona which did not have a Medicaid program). The Congress recognized that, with the enactment of SSI, more people would become eligible to receive cash assistance payments. Given the potential for increased State Medicaid costs, the legislation which established SSI also permitted States to break the direct link between receipt of cash assistance and Medicaid eligibility.

The statute permits States to use more restrictive Medicaid eligibility criteria than those of the SSI program. States may use more restrictive rules and disregards for income, resources and disability. However, these rules and disregards may not be more stringent than those the State used just before enactment of the SSI program. Also, a State which elects income criteria which are more restrictive than those of the SSI program must deduct medical expenses which a person has incurred for Medicaid covered services from that person's countable income when determining eligibility for Medicaid.

Currently, 12 States elect to use more restrictive criteria. Thirty-eight States, the District of Columbia, and the Commonwealth of the Northern Mariana Islands provide Medicaid to persons who meet the SSI requirements.

These latter jurisdictions have an option to enter into agreements with SSA to use the SSI application as an application for Medicaid and for SSA to make determinations of Medicaid eligibility for persons who receive SSI payments or who are deemed to be receiving payments under section 1619(b). (For information about section 1619(b) see Part C of Chapter IV.) Thirty-one States and the District of Columbia have these agreements. The remaining 7 States and the Commonwealth of the Northern Mariana Islands use the SSI standards to determine Medicaid eligibility, but require a separate Medicaid application.

Experts' Discussion of Medicaid Linkage Issues:

The experts' discussion recognized that much has been happening outside the SSI arena relating to public interest in structural reform to the health insurance system. One expert pointed out that, even if there were legislation to improve health care access for people in general, this would not necessarily cover things which Medicaid now covers for qualified disabled persons. This expert stressed that recognition of the need for all SSI recipients to have Medicaid coverage cannot be postponed on the assumption that there will be broader action to provide health care access. Another expert, in agreement, noted that nearly 450,000 SSI recipients are not covered by Medicaid.

A majority of the experts stated that SSI should be a primary route to Medicaid eligibility, and the linkage of Medicaid and SSI should be strengthened. This affirmed views expressed by the majority of public commenters. Two experts stated that, conceptually, Medicaid is "part and parcel" of the total benefit package that the experts are addressing. If medical coverage is not provided, people have to use their SSI checks to pay for medical care. Those experts believe it is a gross inequity to permit over 400,000 persons in 12 States to be provided a smaller benefit package (i.e., a package which does not include Medicaid) than that provided to others.

Some experts also pointed out that Federal determinations of Medicaid eligibility should be universal. They said that where there is State administration, some people who qualify for Medicaid coverage get lost on their way through the State bureaucracy. These experts think SSI recipients should not have to go through extra steps (e.g., filing a separate application, etc.) to obtain the coverage.

Recapitulation of Experts' Opinions on Medicaid Linkage:

<u>Option</u>	<u>Experts Supporting</u>
1. Require all States to use the SSI eligibility criteria and mandate Federal determinations of Medicaid eligibility.	16
2. Retain the current State option to use more restrictive eligibility criteria than those of the SSI program.	2

Comment: One of the experts favoring this option also supports requiring Federal determinations of Medicaid eligibility in all States that use the SSI criteria to determine Medicaid eligibility.

C. LINKAGE OF THE SUPPLEMENTAL SECURITY INCOME PROGRAM AND THE FOOD STAMP PROGRAM

Background Information:

Under the Food Stamp Program, eligibility for benefits is determined for a household (rather than for individuals/couples as in the SSI program) and depends on the household% size, resources, gross income, and net income

after certain exclusions and allowable deductions (e.g., dependent care, excess medical and shelter costs, etc.).

Food Stamp law requires SSA offices to inform SSI applicants and recipients that they may be eligible for food stamps and that food stamp application forms can be obtained at Social Security offices. In addition, SSA staff is to assist applicants and recipients who are members of a household in which all members are applicants or recipients of SSI (referred to as a "**pure** SSI household") in applying for food stamps at Social Security offices.

Members of pure SSI households and/or "**public** assistance households" (households in which all members receive public assistance: e.g., AFDC, or AFDC and SSI) are automatically ("**categorically**") eligible to participate in the Food Stamp Program. These households do not have to meet the income or resource limits of the Food Stamp Program.

However, SSI recipients in "mixed food stamp households" (households where at least one member receives SSI but others do not) must file for benefits at the food stamp office. Some SSI recipients in mixed households are not eligible for food stamp benefits depending on household size and the resources and income of others in the household. Mixed households must meet the Food Stamp Program's resource and net income limits in order to be eligible. However, because mixed households contain an elderly or disabled member, they do not have to meet the Food Stamp Program's gross income limits. Also, by law, SSI recipients' resources are excluded in determining whether a household meets the resource limit.

Food stamp offices make eligibility determinations and issue food stamp coupons.

NOTE: Pursuant to changes in the Food Stamp Act at the time of the implementation of the SSI program, SSI recipients in California do not participate in the Food Stamp Program. Instead, the value of food stamps is included in their State supplementary payments (although consideration is being given to allowing recipients in California to participate).

Experts' Discussion of Food Stamp Linkage Issues:

Most of the discussion centered on the experts' observation that the current processes for filing for SSI and food stamps are confusing, duplicative, too time consuming and needlessly complicated. A majority of experts concluded that **SSA's** completion of a short food stamp application form for each interested SSI claimant would be the preferred way to simplify and improve processing of food stamp applications

in Social Security offices. Although the short-form application would be incomplete for determining food stamp eligibility, it would establish the individual's intent to file a claim. One expert pointed out that this option would require SSA to do less than it is currently required to do by statute, but the agency probably would be able to administer this approach more successfully.

One expert proposed that eligibility for food stamps should be phased out when the SSI benefit reaches the poverty level. The experts discussed the possibility of doing this by eliminating categorical eligibility and/or eliminating the \$10 minimum allotment for one- and two-person households. A majority of the experts supported eliminating automatic eligibility when the SSI Federal benefit standard reaches the poverty line. A majority of the experts did not favor eliminating the minimum allotment for SSI recipients, since this would be treating SSI recipients less favorably than others.

The experts discussed three other options. One option was to urge that SSA pursue with the Food and Nutrition Service the feasibility of SSA making food stamp eligibility determinations for the SSI population. The second option would allow categorical eligibility for a food stamp allotment, but the food stamp benefit would be cashed out with a flat amount which would be included in the SSI check. There was little support for these two options. Under the third option, the food stamp program would treat all SSI recipients as separate food stamp households which would be categorically eligible for food stamps but would receive a flat food stamp allotment. This could decrease the amount that some recipients currently receive. No expert supported this option.

Recapitulation of Experts' Opinions on Food Stamp Linkage:

<u>Option</u>	<u>Experts Supporting</u>
1. Have Social Security offices complete short-form food stamp applications for all interested SSI claimants.	16

Comment: One expert supporting this option also favored action by SSA to pursue with the Food and Nutrition Service the feasibility of SSA making food stamp eligibility determinations for the SSI population.

2. Eliminate automatic (categorical) eligibility for food stamps when the SSI Federal benefit rate equals or exceeds the poverty line.

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Comments: One expert supporting this option also supports allowing categorical eligibility, but cashing out the food stamp benefit with a flat amount which would be included in the SSI check.

Another expert, voicing disagreement with the elimination of categorical eligibility, stated that a person does not cease to be needy when the Federal benefit standard reaches the poverty line.

D. OPTIONS PREFERRED BY A MAJORITY OF EXPERTS
SUMMARY AND COST ESTIMATES

Medicaid linkage. Most experts favor a requirement that all States use both the SSI eligibility criteria and Federal determinations of Medicaid eligibility. They believe that anyone who is eligible for SSI should have Medicaid coverage as part of a total benefit package. They also believe that people should receive this coverage automatically. Mandated use of the SSI criteria with automatic determinations of eligibility would achieve this goal: people would no longer have to work their way through another governmental system in order to be covered for Medicaid.

Estimated Cost
(In millions)

<u>Fiscal Year</u>	<u>SSI Program</u>	<u>SSI Administrative</u>	<u>Medicaid Program</u>
1993	None	Negligible	\$ 1,590
1994	None	Negligible	1,750
1995	None	Negligible	1,915
1996	None	Negligible	2,110
1997	None	Negligible	2,315

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Food stamps linkage: applications. A majority of experts supports having Social Security offices complete short-form food stamp applications for all interested SSI claimants. This would help to assure that all interested, persons establish, on a timely basis, their intention to apply for food stamps while simplifying the administrative difficulties which SSA and food stamp applicants encounter under the current process.

Estimated Cost
(In millions)

<u>Fiscal Year</u>	<u>SSI Program</u>	<u>SSI Administrative</u>	<u>Food Stamp Program</u>
All	None	(a)	\$ 1

(a): Unable to estimate

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Food stamps linkage: eligibility. A majority of experts **supports** eliminating categorical eligibility of SSI recipients for food stamps at such time as the Federal benefit standard for SSI reaches the poverty line. This would eliminate expenses (for the guaranteed minimum food stamp allotment and related administrative costs) which they believe are unreasonable since most SSI recipients would be receiving sufficient cash benefits under the SSI program to enable them to purchase food. At the same time, it would not prevent those SSI recipients with significant excess shelter or medical expenses from qualifying for food stamps under the regular rules of the Food Stamp Program.

Estimated Cost
(In millions)

<u>Fiscal Year</u>	<u>SSI Program</u>	<u>SSI Administrative</u>	<u>Food Stamp Program</u>
1993	None	Negligible	\$ (870)
1994	None	Negligible	(1300)
1995	None	Negligible	(710)
1996	None	Negligible	(740)
1997	None	Negligible	(780)

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