



How Households with Seniors and Adults with Disabilities Are Affected by Restricting Broad-Based Categorical Eligibility for SNAP

Elaine Waxman and Nathan Joo

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The administration has proposed significant changes to broad-based categorical eligibility (BBCE) in the Supplemental Nutrition Assistance Program (SNAP).¹ If the changes are implemented, about 434,000 people in households with a senior would no longer meet SNAP's income test, and 323,000 would not pass its asset test. These people would lose access to an average monthly SNAP benefit of \$68 per household, reducing total benefits by over \$42 million monthly.² About 231,000 people in households with an adult living with a disability would no longer meet SNAP's income test, and 87,000 would not pass its asset test. These people would lose access to an average monthly SNAP benefit of \$53 per household, or over \$10 million in total monthly.³ Seniors and adults with disabilities who live on fixed incomes are at risk of losing an important resource, and any increases in food insecurity among both populations would exacerbate health challenges and health care costs. Without SNAP benefits, more seniors and more adults living with disabilities would be food insecure. Already, about 2.9 million households with seniors, including approximately 1.3 million seniors living alone, reported being food insecure in 2018 (Coleman-Jensen et al. 2019). That number is expected to rise if more participants lose benefits.

Introduction

In fiscal year 2016, about 43.5 million people a month used SNAP to help pay for food. SNAP benefits, formerly called food stamps, reduce the prevalence of food insecurity by 5 to 10 percentage points (FNS 2013; Gundersen, Kreider, and Pepper 2017). These benefits are especially critical for seniors and adults with disabilities: in 2015, the program lifted out of poverty 1.2 million people in families where all adults were seniors or had disabilities (Wheaton and Tran 2018), reducing their combined poverty rate by 12.3 percent.

Broad-based categorical eligibility is a policy option established under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (CRS 2019). States use this option to extend SNAP benefits to households with slightly higher incomes that are also coping with high expenses, like rent. BBCE is also designed to streamline eligibility determination, saving time and administrative costs. However, under the administration's proposed changes, participants who qualify for SNAP through this policy would be subject to more restrictive income and assets tests they may fail to meet. And, because so many states have built their procedures, information systems, and training around BBCE, removing or significantly restricting it will likely be costly and disruptive.

Of the 3.6 million people who could lose SNAP benefits from the proposed changes, more than 750,000 are in households with seniors and 318,000 are in households that have adults with disabilities. In fiscal year 2016, the resulting benefit loss would have been approximately \$52.5 million in total monthly. Estimated impacts vary widely across states.⁴

This brief is one of three exploring this proposal's possible effects on important groups. The other two briefs focus on households with children and working families.

What Is Broad-Based Categorical Eligibility?

Broad-based categorical eligibility allows states to make people automatically eligible for SNAP if they receive cash or noncash benefits from other assistance programs, such as Temporary Assistance for Needy Families (TANF). The policy can extend benefits to more families in need by allowing states to raise gross income limits up to 200 percent of the federal poverty guidelines (FPG) and remove or align asset tests with those for state-funded TANF programs (box 1).

Thirty-nine states plus the District of Columbia, Guam, and the Virgin Islands apply BBCE in various ways (CRS 2019). According to the most recent information from the US Department of Agriculture, 9 states retain a gross income ceiling of 130 percent of FPG, 2 use a ceiling of 160 percent of FPG, 5 use a ceiling of 165 percent of FPG, 1 uses a ceiling of 175 percent of FPG, 8 use a ceiling of 185 percent of FPG, and 17 use a ceiling of 200 percent of FPG.⁵ Most states and territories have used BBCE to eliminate asset tests; only six (Idaho, Indiana, Maine, Michigan, Nebraska, and Texas) retain an asset test for all households.

BOX 1

How Does BBCE Work, and What Does the Administration's Proposal Change?

Generally, people are eligible for SNAP if their gross income is at or below 130 percent of FPG and their net income is at or below the FPG after accounting for certain expenses. Households with a senior citizen or an adult with a disability do not face a gross income threshold but must meet the net income threshold. Households applying for SNAP must also meet other eligibility criteria, such as an asset test. In fiscal year 2019, households without a member who is a senior or has a disability must have assets of \$2,250 or less, and households with such a member must have assets of \$3,500 or less.^a

SNAP households in which all members receive cash benefits from either Supplemental Security Income, TANF, or general assistance are categorically eligible for SNAP and therefore not subject to the federal income and asset limits. Categorical eligibility streamlines the application and eligibility determination process for states and reduces the time devoted to verifying resources.

BBCE allows states to confer SNAP eligibility on people who receive or are eligible to receive another state noncash benefit or service funded through TANF or maintenance of effort funds. These benefits must meet one of four goals of the TANF block grant: (1) assisting needy families so children can be cared for in their own homes; (2) reducing needy parents' dependency by promoting job preparation, work, and marriage; (3) preventing pregnancies outside marriage; and (4) encouraging the formation and maintenance of two-parent families. States offer various services to meet these goals, such as transportation assistance, education and training, child care assistance, and job counseling.^b

Through BBCE, a state may align its asset and income limits for SNAP with those of the noncash benefit program conferring categorical eligibility, after ensuring the program conferring eligibility authorizes households to receive a benefit or service. To confer BBCE, states may opt to use referrals, including brochures, to noncash services for which a household would be eligible. BBCE households must also meet all other SNAP rules and have net incomes low enough to qualify for benefits. States can choose gross income ceiling up to 200 percent of FPG. One- and two-person households are eligible for a relatively small minimum monthly benefit: \$15 in fiscal year 2019 for the 48 contiguous states and the District of Columbia, with higher levels in Alaska, Hawaii, Guam, and the Virgin Islands.^c

The administration's proposed rule would substantially curtail the use of BBCE by (1) restricting categorical eligibility for those receiving "substantial" and "ongoing" TANF benefits and (2) limiting the types of TANF benefits received that make people eligible for SNAP.^d The proposal defines "ongoing" as having received or been authorized to receive TANF benefits for at least six months and "substantial" as a benefit valued at a minimum of \$50. The proposal also only confers categorical eligibility based on direct support in the form of subsidized employment, work supports, and/or child care. People who receive noncash benefits, such as education and training, job search assistance, or work experience, would no longer be eligible for conferral of categorical eligibility for SNAP.

^a Countable assets include cash, resources easily converted to cash (such as money in checking or savings accounts), and some nonliquid resources. The value of family homes, retirement and education savings accounts, and some types of property are not counted toward the asset limit. See CRS (2019) for more information.

^b "Categories and Definitions for TANF and MOE Funds," US Department of Health and Human Services, Administration for Children and Families, accessed September 6, 2019, https://www.acf.hhs.gov/sites/default/files/ofa/categories_and_definitions_for_tanf_and_moe_funds.pdf.

^c Lizbeth Silbermann (director, Program Development Division, US Department of Agriculture), letter to regional SNAP directors regarding fiscal year 2019 cost-of-living adjustments for SNAP, July 27, 2018, <https://fns-prod.azureedge.net/sites/default/files/snap/COLAMemoFY19.pdf>.

^d Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP), 84 Fed. Reg. 35570 (Jul. 24, 2019).

How Would Households with Seniors and Adults with Disabilities Be Affected by the Administration's Proposal?

If the administration's proposal is adopted, 757,000 people in households with seniors and 318,000 people in households with members with disabilities would lose access to the program.⁶ Using fiscal year 2016 data, Mathematica finds that implementing the proposed rule would have the following effects on households with seniors and adults with disabilities:

- About 434,000 people in households with a senior would no longer meet the income test, reducing average monthly SNAP benefits per household by \$29 and national monthly SNAP benefits by about \$10 million.
- Another 323,000 people in households with a senior adult would not pass asset tests, reducing average monthly SNAP benefits per household by \$118 and national monthly SNAP benefits by approximately \$32.2 million.
- About 231,000 people in households with an adult living with a disability would no longer meet the income test, reducing average monthly SNAP benefits per household by \$17 and national monthly SNAP benefits by approximately \$2.3 million.
- Another 87,000 people in households with an adult living with a disability would not pass asset tests, reducing average monthly SNAP benefits per household by about \$137 and national monthly SNAP benefits by approximately \$8 million.⁷

Without SNAP benefits, more seniors and more adults living with disabilities would be food insecure. Already, about 2.9 million households with seniors, including approximately 1.3 million seniors living alone, reported being food insecure in 2018 (Coleman-Jensen et al. 2019). That number is expected to rise if more participants lose benefits.

Seniors and Adults with Disabilities Who Live on Fixed Incomes Are at Risk of Losing an Important Resource

Because many seniors are retired and many adults with disabilities can't work, they are living on fixed incomes. SNAP shoulders some of the cost of food, allowing participants to spend more of their fixed incomes on housing, transportation, and, meaningfully, health care costs, which can be significant for many households in this group.

SNAP can be a lifeline to seniors; food insecurity among this population has been linked to lower nutrient intakes, poor or fair health, depression, and limitations in the activities of daily living (Gundersen and Ziliak 2015; Ziliak and Gundersen 2017), and access to SNAP improves health and hospitalization outcomes (Kim 2015). In 2015, households with seniors received an estimated \$6.6 billion in SNAP benefits, two-thirds of which went to households with seniors who lived alone and may lack supports like a family member to help them go shopping on a regular basis (Center on Budget and Policy Priorities 2017).

SNAP also serves a critical role for people with disabilities, who are at higher risk of experiencing food insecurity than those without disabilities, even at relatively high incomes (Coleman-Jensen et al. 2019).⁸ According to the Urban Institute’s most recent national Well-Being and Basic Needs Survey, approximately 40 percent of those with one chronic health condition and 57 percent of those with multiple chronic health conditions reported experiencing a material hardship—that is, difficulty paying rent or a mortgage, utilities, or medical bills, as well as food insecurity—in the past year (Karpman, Zuckerman, and Gonzalez 2018). For such adults, supports like SNAP provide critical assistance to help them support themselves: one in four SNAP participants report a functional or work limitation (Carlson, Keith-Jennings, and Chaudhry 2017).

Reinstating asset tests can be challenging for seniors and people with disabilities whose savings might provide a particularly important backstop to weather unexpected emergencies, such as medical expenses or a surprise repair to a car needed to access health care and other basic services. Debt resulting from the inability to cover unexpected expenses can lead to severe hardship (McKernan, Ratcliffe, and Vinopal 2009), so protecting some savings among seniors and people with disabilities, who cannot quickly rebuild assets, is especially important.

Food Insecurity Is Associated with Health Challenges, and Health Care Costs Can Put Pressure on Food Budgets

Seniors and people living with disabilities can be especially vulnerable to various health challenges, and poor nutrition and an inadequate diet can lead to or worsen those conditions. Food-insecure seniors are twice as likely to report experiencing fair or poor general health; are 65 percent more likely to be diabetic, 57 percent more likely to have congestive heart failure, and 91 percent more likely to have asthma; and are 2.3 times more likely to suffer from depression (Ziliak and Gundersen 2017).

The presence of a disability increases the risk of food insecurity significantly, and the combination of the reduced ability to earn income and the higher costs of health care, adaptive equipment such as wheelchairs, and other supports can strain household food budgets (Brucker 2017).⁹ Research has suggested households with a disabled member need significantly greater income to have the same likelihood of being food secure as households without someone living with a disability (She and Livermore 2007).

How Would States Be Affected by the Administration’s Proposal?

BBCE has widespread support across urban and rural states, across all regions of the country, and among states with more and less conservative approaches to safety net programs. Because such a wide variety of states and territories have elected to use BBCE, one can reasonably conclude it is an important lever for responding to the challenges facing low-income families and for streamlining states’ adminis-

trative processes. As stated, because so many states have built their procedures, information systems, and training around BBCE, removing or significantly restricting it will likely be costly and disruptive.

States use BBCE, in part, to streamline SNAP eligibility. Becoming categorically eligible also cuts down on “churn,” where recipients leave the program and then reapply a short time later, often because their earnings fluctuated, recertification notices were sent to the wrong address, or recipients did not respond in time. This churn increases costs for states and causes potentially harmful lapses in SNAP benefits (Mills et al. 2014). Relaxing or eliminating SNAP asset limits through categorical eligibility reduces churn by 26 percent (Ratcliffe et al. 2016; Ratcliffe, McKernan, Wheaton, and Kalish 2016).

Reduced availability of SNAP is likely to increase food insecurity, and states may ultimately bear some costs of the poor outcomes associated with the inability to access an adequate diet. Recent research suggests access to SNAP is associated with lower health care expenditures, equal to about \$1,400 a year (Berkowitz et al. 2017). States may find that poor health outcomes resulting from higher food insecurity increases budgetary pressures in other programs, such as Medicaid.

SNAP is a crucial resource for food-insecure households, including those with seniors and adults with disabilities. It provides resources to ensure families have enough to eat, promotes health and nutrition, and allows participants to use limited resources for other basic needs. Policymakers debating changes to the program’s eligibility process should carefully consider the needs of the families who rely on SNAP benefits and the implications for state resources.

Notes

¹ [Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program \(SNAP\)](#). 84 Fed. Reg. 35570 (Jul. 24, 2019).

² In 2016 dollars; see “New Research Analyzes State-Level Impact of USDA Proposal to End SNAP Broad-Based Categorical Eligibility,” *Mathematica*, September 5, 2019, <https://mathematica-mpr.com/news/new-research-analyzes-state-level-impact-of-usda-proposal-to-end-snap-broad-based-categorical>.

³ In 2016 dollars; see “New Research Analyzes State-Level Impact of USDA Proposal to End SNAP Broad-Based Categorical Eligibility,” *Mathematica*.

⁴ “New USDA Research Analyzes State-Level Impact of USDA Proposal to End SNAP Broad-Based Categorical Eligibility,” *Mathematica*.

⁵ New York applies a 200 percent of FPG ceiling for households with dependent care expenses and a 150 percent of FPG ceiling for those with earned income but no dependent care expenses.

⁶ “New USDA Research Analyzes State-Level Impact of USDA Proposal to End SNAP Broad-Based Categorical Eligibility,” *Mathematica*.

⁷ Some BBCE cases would likely fail both the income and asset tests. However, *Mathematica*’s asset imputation is limited to BBCE participants who would pass the federal income tests.

⁸ The study found that food insecurity is more prevalent among households with a member with disabilities even if they have incomes greater than 300 percent of the federal poverty level.

⁹ Alisha Coleman-Jensen and Mark Nord, “Disability Is an Important Risk Factor for Food Insecurity,” US Department of Agriculture, Economic Research Service, May 6, 2013, <https://www.ers.usda.gov/amber-waves/2013/may/disability-is-an-important-risk-factor-for-food-insecurity>.

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Errata

This brief was corrected September 20, 2019. The proposed changes to BBCE would reduce total benefits by millions of dollars monthly, not annually. The text on pages 1, 2, and 4 has been updated accordingly.

About the Authors

Elaine Waxman is a senior fellow in the Income and Benefits Policy Center at the Urban Institute. Her expertise includes food insecurity, nutrition, the food assistance safety net, and social determinants of health disparities, as well as broader issues affecting low-income families and communities. Waxman is part of the leadership team coordinating Urban's From Safety Net to Solid Ground initiative and codirects Urban's cross-center initiative on the social determinants of health. Before joining Urban, Waxman served for six years as vice president for research and nutrition at Feeding America, where she oversaw research on food insecurity and nutrition, federal nutrition programs, the intersection of hunger and health, and the circumstances and experiences of individuals seeking charitable food assistance. She has coauthored numerous research and policy reports and articles in scholarly journals, including *Applied Economics Perspectives and Policy*, *American Journal of Public Health*, *Health Affairs*, and *Social Service Review*. She received her MPP and PhD from the University of Chicago, where she is currently a lecturer at the School of Social Service Administration.

Nathan Joo is a research analyst in the Income and Benefits Policy Center, where he focuses on social safety net policy and contributes to the From Safety Net to Solid Ground initiative. He works on several projects related to federal nutrition programs and food insecurity.

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500 L'Enfant Plaza SW
Washington, DC 20024

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