



## Frequently Asked Questions:

# AB 191 – Strengthening the Connection between CalFresh & Medi-Cal

*AB 191 (Bocanegra) seeks to improve alignment between CalFresh and Medi-Cal in order to ensure that low-income households with a Medi-Cal recipient also receive CalFresh nutrition benefits.*

**Have questions? Please contact Alexis Fernández at 510-433-1122 x 111 or [alexis@cfpa.net](mailto:alexis@cfpa.net)**

### How will AB 191 benefit California?

- AB 191 will boost CalFresh participation among households with a Medi-Cal recipient.** California has the lowest CalFresh participation in the nation. At a time when low-income Californians continue struggling to make ends meet, increasing access to CalFresh should be a priority. Given the large Medi-Cal caseload that is currently eligible for CalFresh, but not participating, and the many Californians who will be newly eligible for Medi-Cal under the Affordable Care Act, there is no better time to strengthen the connection between the two programs.
- AB 191 emphasizes the critical role that nutrition plays in supporting overall health and well-being.** Because CalFresh benefits guard against food insecurity and increase access to nutritious foods, they are an important component of overall health and well-being. We should develop stronger links between complementary programs like CalFresh and Medi-Cal to ensure that California's families are able to thrive in good health.
- AB 191 would bring California up to speed with 27 other states that have taken similar steps to increase access to CalFresh.** Twenty seven other states have removed the asset test and raised the gross income limit for SNAP households. California has already used a federal option known as categorical eligibility to remove the CalFresh asset test; AB 191 would use this same tool to raise the gross income test for households with a Medi-Cal recipient.
- AB 191 increases the impact of federal nutrition benefits for families and local economies.** Underutilization of CalFresh means less for all Californians – less nutrition assistance for eligible Californians, less economic activity, and less sales tax revenue for the state and local governments. Increasing the amount of federally funded CalFresh benefits coming into California not only provides nutrition assistance for families, but also provides an immediate stimulus to the economy. USDA has shown that every dollar in CalFresh benefit expenditures generates \$1.79 in related economic activity, including sales tax revenue for the state and local economies.

### What is the projected impact of AB 191?

An estimated 30-33 percent of Medi-Cal recipients are currently eligible for CalFresh, but 1.2 million of those Medi-Cal recipients do not participate. Many households with a Medi-Cal recipient may be

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unaware of their eligibility for these additional benefits.

Furthermore, an estimated 227,000 individuals within households with a Medi-Cal recipient are currently net income eligible for CalFresh, but have a gross income above the current limit. An estimated 85 percent of these households contain children and 99 percent have incomes from earnings. Because of the CalFresh gross income test these otherwise eligible households with high need and high expenses, such as child care costs, cannot access CalFresh. AB 191 would increase access to CalFresh among these households.

Additionally, this proposal will help ensure that Californians who are newly eligible for Medi-Cal in 2014, when Medi-Cal coverage is expanded under the Affordable Healthcare Act (ACA), are more likely to benefit from CalFresh.

Improved alignment between CalFresh and Medi-Cal can increase CalFresh participation, boost administrative efficiency, and increase the likelihood that low-income households have access to a package of benefits that support their overall health and well-being.

### What is categorical eligibility?

Broad based categorical eligibility (often referred to as cat-el) is a federal policy option that makes most households that qualify for a non-cash Temporary Assistance for Needy Families (TANF or CalWORKs in California) funded benefit categorically eligible for SNAP. Cat-el enables states to align SNAP eligibility rules with the rules used to determine eligibility for the TANF benefit. This has allowed states to raise the SNAP gross income test and/or eliminate the asset test (alignment toward TANF rules) for clients who have been provided a TANF funded benefit.

### How have other states used categorical eligibility?

Nationwide, 43 other states have implemented some form of broad based categorical eligibility. Twenty-seven other states have increased SNAP access by removing the asset test and raising the gross income limit. California has already used categorical eligibility to remove the CalFresh asset test; AB 191 would use this same tool to raise the gross income limit for households with a Medi-Cal recipient.

For more information, including state-by-state specifics, read this [USDA memo](#).

### How will CalFresh and Medi-Cal be better aligned through the use of categorical eligibility?

Currently, the CalFresh gross income limit is 130% of the Federal Poverty Level (FPL). Medi-Cal eligibility is not determined using one specific income limit. Rather, Medi-Cal Income limits vary according to applicant characteristics, such as age and disability. While both CalFresh and Medi-Cal seek to provide safety-net benefits to low-income Californians, the income eligibility guidelines are currently unaligned. Some low-income households with a Medi-Cal recipient have a gross income above the current CalFresh limit and, though they are otherwise eligible for CalFresh, are

unable to apply.

AB 191 proposes to make households with at least one Medi-Cal recipient categorically eligible for CalFresh by providing them access to a TANF funded benefit. The CalFresh gross income test for these households will be raised to 200% FPL, therefore ensuring that the current gross income test of 130% FPL is not preventing high need households with a Medi-Cal recipient who are otherwise eligible from applying for Calfresh.

### Why doesn't this proposal raise the gross income test for all CalFresh households?

When evaluating the potential success of any CalFresh policy change, including a higher gross income limit, CFPA assesses the client impact and the estimated cost of that policy change. In recent years, the state budget situation makes the cost of any proposed policy change a more significant predictor of potential success than ever before.

Our analysis of proposals to raise the gross income test for all CalFresh households indicate that the estimated costs associated with processing each new CalFresh application, outweigh the potential impacts in terms of benefits gained. Under this scenario, not every CalFresh household would be eligible to receive the maximum benefit. Some would receive the minimum benefit and many would fall somewhere in between the minimum and the maximum. While a higher gross income limit for all CalFresh households has the potential to boost overall participation that includes participation among households that would receive a relatively low or minimum benefit amount. The high processing costs associated with each individual case are estimated to outweigh the relatively small benefit amounts and overall economic impacts for the state.

In the future, if California were able to reduce the administrative cost of processing CalFresh applications these estimates may change for the better.

Narrowing the scope of this proposal to households with a Medi-Cal recipient reduces the associated administrative costs. In addition, the administrative costs of processing each application would be shared between Medi-Cal and CalFresh, making the proposal more cost-efficient. Under this scenario, the estimated benefit impacts are more likely to outweigh the administrative costs.

### Have there been previous legislative efforts in California to raise the gross income limit?

Since 2002 there have been several attempts to use cat-el to eliminate the asset test and raise the gross income limit for CalFresh, both through legislation and administrative advocacy. High cost estimates stalled many of these efforts.

In 2006, then Assembly Member Evans introduced [AB 2205](#), which would have used cat-el to remove the asset test and raise the gross income test for Medi-Cal recipients. Although the bill had the support of the legislature and Governor, fiscal estimates prevented the bill from becoming law.

In 2007, then Assembly Member Beall introduced [AB 433](#), which originally included a proposal to

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make Medi-Cal recipients categorically eligible for CalFresh. High fiscal estimates led to amendments. The final compromise did not include a higher gross income limit, but did remove the CalFresh asset test.

In 2012, then Assembly Member Fuentes introduced AB 1560 which proposed to increase the CalFresh gross income limit for households with a Medi-Cal recipient. AB 191 is a reintroduction of this bill.

### Does this proposal make Californians who receive both Medi-Cal and SSI eligible for CalFresh?

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

### Will this automate CalFresh applications for households with a Medi-Cal recipient?

Under the current proposal, the CalFresh gross income limit would be raised to 200% FPL for households with a Medi-Cal recipient. This does not guarantee eligibility for CalFresh benefits nor does it automate application for benefits. This removes an income barrier for households with a Medi-Cal recipient who may be net income eligible after expenses and deductions, but would otherwise not be able to apply for CalFresh. Households with a Medi-Cal recipient will continue to have the option of whether or not to apply for CalFresh.

Raising the CalFresh gross income limit promotes co-enrollment in CalFresh and Medi-Cal and furthers the link between health coverage and nutrition benefits and emphasizing the role that nutrition plays in supporting overall health and well-being.

### How will this proposal connect families with free school meals?

California's existing direct certification process streamlines school meal enrollment for children in CalFresh households. Through a data matching process, schools automatically enroll students receiving CalFresh on to the school lunch and breakfast program without additional paperwork. By default children living in households who enroll in CalFresh will be directly certified for free school meals; any effort to increase CalFresh participation will increase the benefits of direct certification.

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*For more information about AB 191, please contact Alexis Fernández at [alexis@cfpa.net](mailto:alexis@cfpa.net) or 510.433.1122 ext. 111 or visit [www.cfpa.net](http://www.cfpa.net)*