Why is the Affordable Care Act important for food banks?

1. Clients are facing significant health and medical debt challenges.

Poor health status, tradeoffs between purchasing food or medical care/medicine and the burden of unpaid medical debt are all significant challenges among the Feeding America network client population. The *Hunger in America 2010* data showed that:

- Despite reporting low income, which often qualifies individuals for Medicaid, one in four clients reported that they or another household member lacked health insurance.
- Almost half of client households (46%) reported that they had unpaid medical bills and despite the fact that households with children had lower uninsured rates (15%), they reported having unpaid medical debt at an even higher rate – 52%. Unpaid medical debt can indicate that client households are underinsured and/or have limited resources to absorb even nominal costs of seeking health care or paying for medicine.
- More than one third (36%) of clients reported having to choose between food and medicine or medical care.
- Almost half (48%) of adult clients picking up food at a pantry reported that their own health was fair or poor; one in three client households reported that at least one person residing in the household was in poor health.

2. Changes to community benefit rules create new incentives for hospitals to engage in food security issues.

The ACA has set in motion changes in the rules surrounding the activities expected of nonprofit hospitals in order to maintain their tax-exempt status. The final rules are still being drafted, but an important known feature is a new requirement that these hospitals conduct a community-based needs assessment every three years which must look broadly at community issues, including social determinants of health. Extensive comments from multiple organizations interested in community food security were provided to the IRS on their draft rule advocating that food security be a key recognized assessment area in their final rules. These final rules aren’t expected to be released until summer 2014, but many hospitals are already moving ahead with community needs assessments and food banks are uniquely positioned to be partners in this work, given our extensive interaction with vulnerable communities and service to food-insecure households. The preliminary rules specify that the assessment process should include members of low-income populations or their representatives and hospitals are encouraged to identify community partners, when possible, with whom to conduct the assessment. Food banks have access to key data that may inform this process, including *Map the Meal Gap* county level food insecurity estimates, hunger study data and other data specific to the work of their partners and clients.

3. Implementation of the Affordable Care Act includes potential implications for charitable feeding assistance for clients in several ways related to benefit outreach – for both health care coverage and food assistance programs.

Extensive efforts are underway in many areas to conduct outreach for Medicaid expansion in those states that have opted for this provision and/or enrollment in coverage offered through exchanges. Food banks and their partner agencies are being contacted about partnering on outreach activities or facilitating access to sites where interested low-income individuals may be reached. In addition, there are anticipated implications for food banks conducting SNAP...
outreach (see more in this Q&A). All food banks should be aware of the evolving environment in their states and how these changes may affect their partners, clients and direct benefit outreach activities.

How does the Medicaid expansion work?

The Affordable Care Act (ACA) expanded the Medicaid program to cover nearly all individuals under age 65 with incomes at or below 138 percent of the Federal Poverty Level (FPL) ($15,856 for an individual and $32,499 for a family of four). Previously, non-disabled adults without dependent children were generally excluded from Medicaid unless the state obtained a waiver to cover them. However, participating in the Medicaid expansion is optional for states. For those that choose to participate, the federal government will pay most of the costs of the expansion. There is no deadline for states to implement the Medicaid expansion, so even states that have initially chosen not to participate can choose to participate in the future.

States that are implementing the expansion in 2014: AZ, AR, CA, CO, CT, DE, DC, HI, IL, IA, KY, MD, MA, MI, MN, NV, NJ, NM, NY, ND, OK, OR, RI, VT, WA, WV

States that intend to implement post-2014: IN, PA

States without plans to implement: AL, AK, FL, GA, ID, KS, LA, ME, MS, MO, MT, NE, NH, NC, OH, SC, SD, TN, VA, TX, UT, WI, WY

How does the Medicaid expansion potentially affect SNAP eligibility/enrollment?

Medicaid expansion will not directly affect SNAP eligibility; however, Medicaid expansion may increase SNAP enrollment in some states. While there is variation by state, SNAP eligibility is typically set at household income below 130% of the FPL. Thus, in states that expanded Medicaid, most individuals who are income eligible for Medicaid will also be income eligible for SNAP. As newly-eligible individuals apply for Medicaid, they may realize for the first time that they are also eligible for SNAP benefits.

Many states have integrated applications for Medicaid and SNAP benefits, facilitating SNAP enrollment during the Medicaid application process. Additionally, states have the option to employ categorical eligibility, which would potentially make Medicaid recipients eligible for SNAP benefits, despite differences in eligibility criteria. Preliminary analysis suggests that Medicaid expansion could lead to a 3% to 5% increase in SNAP enrollment in some states.

In states that did not expand Medicaid, SNAP enrollment is unlikely to be affected by the ACA.

Is the Medicaid expansion or exchange affecting SNAP processing?

Food banks and their clients may experience changes in the processing of SNAP applications with the Medicaid expansion, but the extent of the changes remains unclear and will depend on the final determination of the Farm Bill negotiations and SNAP budget cuts. One key factor potentially affecting SNAP processing is the option of determining categorical eligibility for SNAP. Participation in SNAP is likely to increase if individuals who gain healthcare coverage through the Medicaid expansion are deemed categorically eligible for SNAP. If this is the case, the number of SNAP applications will increase, which may cause a greater administrative burden for those processing the applications and result in longer wait times for applicants to receive their SNAP benefits. Some food banks in the Feeding America network have already reported delays in SNAP application processing by days or weeks due to the changes in both the SNAP and Medicaid programs and the retraining and system updates related to these changes. However, it is possible that the option of categorical eligibility may be removed through the potential budget cuts to SNAP, which would mean that applicants would need to complete a separate application process for SNAP and Medicaid. Regardless of the ruling on categorical eligibility, SNAP processing will likely be affected by the decision on SNAP budget cuts. Any imposed budget cuts would mean less funding for states for their SNAP programs, and consequently fewer staff resources, which may result in delays in the processing of SNAP applications.
Do some food bank clients have the potential to qualify for subsidies on exchange?

Federal vs. exchange access by state
Yes, some food banks clients have the potential to qualify for healthcare subsidies on the exchange. For the states that have opted into the Medicaid expansion, tax credits will be available for anyone whose incomes are between 138% and 400% FPL on the exchange. In states that have not opted into the exchange, tax credits are available to people who make between 100% and 400% of the poverty level. The tax credits cover a percentage of the healthcare premium between 1% and 9.5% depending on a family’s income. For example, a family of four making 101% of the Federal Poverty line could qualify for a $6,286 tax credit to purchase a “silver” plan on the exchange for $6,680, making the cost of the plan $394.

Potential for food banks to conduct outreach with navigators
Yes, but the partnership potential may differ from organization to organization. Like SNAP Outreach staff employed as part of a state outreach plan, Navigators have similar job duties to educate and help to facilitate enrollment in healthcare, and partnering for outreach events or mobile pantry distributions may make sense in your area. In some cases, our network Members serve as Navigators themselves. The Food Bank of Monmouth and Ocean Counties and the Ohio Association of Food Banks are both recipients of federal Navigator grants to assist with individuals interested in applying for healthcare with in-person application assistance.

How does the Affordable Care Act affect vulnerable client populations?

Seniors and Disabled Individuals
The ACA offers a number of benefits and additional protections to elderly and disabled individuals who are already enrolled in Medicare. Those who have Medicare will have increased coverage of preventative services, such as mammograms and colonoscopies, and have access to an annual “wellness” visit. The ACA has also implemented phased changes in the cost of prescription drugs for those on Medicare, which will narrow the current “doughnut hole” in drug coverage. These phased changes are anticipated to end the doughnut hole by 2020. Additionally, the ACA has allocated more resources towards improving access to primary care providers, and reducing fraud and abuse within Medicare.

The ACA is also likely to increase the number of people with disabilities who are not on Medicare but may qualify for Medicaid based solely on the income guidelines of the Medicaid expansion. People with disabilities who qualify for Medicaid may qualify for a coverage group related to their modified adjusted gross income (MAGI) or a non-MAGI-related coverage group. If they qualify for both coverage groups, they will have the opportunity to enroll in the coverage plan that best meets their needs.

Young Adults
The ACA provides the opportunity for many young adults ages 18 to 26 to have access to quality, affordable health care through dependent coverage on their parents’ plans through the age of 26. In 2009, young adults accounted for almost one-third of the total uninsured population, with many uninsured young adults searching for employment after high school or college graduation or working part-time or entry-level positions without health coverage. In response, the ACA requires any insurance plans that offer dependent coverage to make the coverage available until the young adult reaches the age of 26. This ruling applies to young adults regardless of whether they share a residence with their parent(s), are enrolled in school, are married, or are a dependent on their parent’s tax return. Young adults can also re-enroll in a parent’s plan, and will have the same premiums as others on the plan regardless of their health status.

Childless Adults
For the first time, under the ACA, adults without dependent children may be eligible for Medicaid based on their income level. Prior to the ACA, childless adults were excluded from Medicaid coverage, unless their home state obtained a Section 1115 waiver to extend coverage. Section 1115 of the Social Security Act enabled states to apply to extend their coverage to individuals who would not otherwise qualify and provide services not typically covered by Medicaid in the interest of strengthening the Medicaid program. In 2013, 24 states had obtained the Section 1115 waiver and were
able to provide coverage to some childless adults. The ACA Medicaid expansion will provide many more childless adults with the opportunity to gain healthcare coverage; however, there will continue to be little to no coverage of childless adults in the states not expanding.

Veterans
The health care law does not change VA health benefits or Veterans’ out-of-pocket costs. Veterans enrolled in VA health care programs have health coverage that meets the new health care law’s minimum standard. Veterans do not have to take any additional steps to have health coverage. Veterans not enrolled in VA health care may apply at any time to meet the health insurance mandate. Family members who are not enrolled in VA health care should use the Marketplace to get coverage. Veterans who cancel VA health care in order to participate in the Marketplace may reapply for enrollment at any time, but acceptance for future VA health care enrollment will be based on eligibility factors at the time of application so denial of enrollment is possible.

Mixed-Status Households
Each member of a mixed-status family may be eligible for a different health insurance program, and some members may not be eligible for any health insurance program. If a client is eligible for coverage, the documentation status of their family members will not change their own eligibility to access insurance. Those who are undocumented are excluded from the ACA programs but may be eligible for emergency Medicaid or state-funded programs. Similar to Medicaid, any child who qualifies for the exchange will not be denied access due to one or both of their parents being undocumented. Undocumented parents should not be concerned about enrolling their eligible children in the exchange or Medicaid based on their own status, as Immigration and Customs Enforcement (ICE) confirmed in an October 2012 memo that “immigrant parents can enroll their U.S. citizen children and other eligible family members in health insurance programs under the ACA without triggering immigration enforcement activity.”

Minority Racial/Ethnic Groups
Latinos - Latinas make up nearly one-third of all uninsured Americans, with one in three Latinas uninsured representing 16 million people. Through the ACA, close to 10.2 million Latinas are expected to gain coverage through the Health Insurance Marketplace.

African Americans - Approximately 6.8 million African Americans are uninsured, or one in six of the eligible uninsured population in the United States. An estimated 4.2 million African Americans are anticipated to gain health care coverage through the ACA Medicaid expansion or the exchange. However, about 2.4 million African Americans who would qualify for coverage under the Medicaid expansion live in states that are not expanding the Medicaid program, meaning that more than one in three eligible uninsured African Americans may not gain access to affordable care in 2014.

Recognizing that racial and ethnic minorities have long experienced disparities in the healthcare system, the ACA has taken strides to address identified gaps. In addition to the expansion of coverage and institution of a basic level of care, additional changes impacting minority populations, such as Latinas and African Americans, include:

- Investing in prevention and public health, including offering grants to help communities test community-based prevention and disease management programs.
- Increasing funding for community health centers that provide health services regardless of a person’s ability to pay, citizenship status, or income.
- Placing an increased focus on minority health through elevating the National Center on Minority Health and Health Disparities at the National Institutes of Health from a Center to an Institution of its own.
- Developing partnerships between the Department of Health and Human Services and network of minority health offices to collect and monitor data, trends and programs serving minorities.
Additional Resources

For public dissemination of this Fact Sheet, visit the Healthy Food Bank Hub: [http://www.healthyfoodbankhub.org/?resources=affordable-care-act-aca-fact-sheet](http://www.healthyfoodbankhub.org/?resources=affordable-care-act-aca-fact-sheet)

Outreach and Enrollment

Community Health Centers receive funding to support outreach and enrollment efforts. For more information on how to get started, food banks can use the following resources:


Community Health Assessment


Partnerships for Healthcare


Conducting Outreach in Regions Hostile to the ACA


References


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