HEALTH IMPACT PROJECT

ADVANCING SMARTER POLICIES FOR HEALTHIER COMMUNITIES

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WHITE PAPER:

HEALTH IMPACT ASSESSMENT OF PROPOSED CHANGES TO THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

A collaboration of the Robert Wood Johnson Foundation and The Pew Charitable Trusts.

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SUMMARY

This brief summarizes findings from an ongoing health impact assessment (HIA) of proposed changes to the Supplemental Nutrition Assistance Program (SNAP). The HIA is being conducted by the Health Impact Project, a collaboration of the Robert Wood Johnson Foundation and The Pew Charitable Trusts.

The intent of an HIA is to raise awareness of the potential impacts among policymakers, people affected by a decision, and others with an interest in the outcome. The methods used in this analysis include a systematic literature review; analysis by Mathematica Policy Research using a model developed for the United States Department of Agriculture to aid in SNAP administration; and interviews with SNAP administrators at the state and local levels.

SNAP is the federal government's principal program for helping low-income families purchase enough food. Federal spending on SNAP has grown from $34.8 billion in FY 2007 to $80.4 billion in FY 2012.[1] This growth in spending has been attributed to several factors, including the rise in poverty and unemployment during the recent recession (leading to higher participation rates); changes in state eligibility practices; and a temporary increase in benefit amounts conferred by the American Recovery and Reinvestment Act (ARRA).[2] The Congressional Budget Office (CBO) predicts that under current policies, SNAP spending will fall in coming years as the ARRA benefit increase expires in November 2013 and the economy continues to recover.[3]

Both Senate- and House-introduced bills (S. 954 and H.R. 1947) seek to reduce spending on SNAP by making changes to both the procedures states use to determine eligibility for the program and the amount of benefits that some participating households receive.[4] The changes to SNAP proposed by these bills are the subject of this health impact assessment. The key findings of our analysis thus far are summarized here.

Health impacts of proposed changes in SNAP eligibility and benefit amounts

Under current legislative proposals, changes to the way states determine who is eligible for SNAP could increase food insecurity, with important implications for health. It is well established in the literature that food insecurity (defined as difficulty in obtaining enough to eat) increases the risk of diabetes, heart disease, and depression or anxiety in adults; and asthma, cognitive impairment, or behavioral problems in children.[5] Children in food-insecure families are more likely to be hospitalized in early childhood than those from food-secure households.[6] Medical costs related to food insecurity in the United States amount to as much as $67 billion per year in 2005 dollars.[7]

Our analysis finds that under the changes proposed in H.R. 1947, more than half a million food-insecure people currently receiving SNAP benefits would lose eligibility due to changes in the way states determine who is eligible for the program. In addition, as many as 160,000[8] to 305,000[9] more individuals could become food

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insecure. Moreover, as many as 1.2 million school-age children in households that could lose SNAP eligibility would no longer be able to directly certify for the school meal program through receipt of SNAP benefits, which could exacerbate food insecurity for some children by making it more complicated for low-income children to access school meals.[10]

Increases in poverty due to the changes proposed in H.R. 1947 could have important implications for state and federal government health care costs. Poverty increases the risk of many illnesses. Under the proposed changes, the U.S. poverty rate could increase by over half a percent, according to recent research.[11] Our analysis found that based on current rates of diabetes in relation to poverty in U.S. communities, this increase in poverty could translate to a growth in government and private-sector medical costs for diabetes alone of nearly $15 billion over 10 years.[12] Thus, diabetes costs alone could nearly equal CBO's estimate of $20 billion in savings over 10 years from implementing proposed SNAP changes in H.R. 1947, in addition to any costs associated with other diseases.[13] These figures must be interpreted with caution: the fact that rates of diabetes correlate with poverty rates does not necessarily prove that a policy that increases poverty will cause an increase in diabetes. Nevertheless, the body of evidence is strong enough to support considering the health-related cost implications of these proposed changes as part of the policy discussion.

Losing access to SNAP or receiving lower benefits could increase the risk of many illnesses for low-income Americans affected by the proposed changes. Using a model employed by the U.S. Department of Agriculture to administer SNAP, Mathematica Policy Research conducted an analysis of how many people could lose eligibility or receive lower benefits under the proposed policy changes in H.R. 1947 and S. 954. Under the changes proposed in H.R. 1947, as many as 5.1 million people could lose eligibility for the program.[14] These impacts would occur because of changes to a policy known as "categorical eligibility," which currently allows states to adopt similar enrollment criteria for SNAP and other assistance programs such as Temporary Assistance for Needy Families (TANF) in order to streamline their administration of these programs. Changes proposed in H.R. 1947 would eliminate states' ability to enroll a person in SNAP based on the applicant's eligibility for certain "non-cash" TANF benefits, such as childcare or counseling services. Under this proposal, states would instead use strict federal SNAP income and asset eligibility standards to determine eligibility.[15] The people affected by these changes are mainly low-income Americans and, therefore, already at high risk for many illnesses: 83 percent of those who would lose eligibility have a net income below the poverty line ($15,130 annual gross income for a family of two, or $23,050 for a family of four) even when counting their SNAP benefits as income. Among subgroups that are at particularly high risk, roughly 1.4 million children and 876,000 older adults would lose benefits entirely.[16] Those who lose benefits would lose an average of 38 percent of their income.[17]

Beyond these changes in eligibility, both bills would also reduce monthly benefits for certain low-income households that remain in the program. For example, S. 954 proposed changes to the "Heat and Eat" program that links SNAP benefit amounts to the Low Income Home Energy Assistance Program (LIHEAP) would reduce monthly benefits for between 300,000[18] and 500,000 households,[19] all of which have net incomes below the poverty line, and a majority of which have either children or a disabled or older adult family member.[20] Similar changes would occur under H.R. 1947, resulting in nearly 500,000 low-income people receiving lower benefits.[21]

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These changes are likely to increase health risks for low-income Americans. Children in families receiving SNAP are less likely to have poor health outcomes[22] and more likely to be classified by their parents as being in good health and developing normally, compared to children from low-income families that are not receiving SNAP benefits.[23] One study found that people who had previous access to the food stamp program (the predecessor to SNAP) in childhood have a lower risk of obesity, diabetes, high blood pressure, and heart disease as adults.[24]

Many seniors and disabled persons receiving nominal energy assistance would receive lower SNAP benefits. These households frequently subsist on fixed monthly incomes with limited cost-of-living increases and can have difficulty keeping pace with rising energy prices or rent increases. Challenges in paying for housing and energy, and food insecurity, increase the risk that low-income people will postpone needed medical care, ration or skip taking prescription medications, and rely more on emergency department visits and hospitalizations. For example, among low-income households receiving energy assistance, 32 percent with a senior report going without medical or dental care as a result of high home energy bills. [25]

Conclusion

The findings of this ongoing research and analysis suggest that the policy changes proposed to the SNAP program would likely place the health of many low-income Americans at risk. In comparison to S. 954, the changes proposed under H.R. 1947 would affect far more people—as many as 5.1 million individuals. The proposed changes in both bills have been scored by the Congressional Budget Office to reduce spending on the SNAP program. Yet, as shown in the analysis in this report, the health risks identified could also increase health care costs with implications for state and federal medical spending. This possibility should be considered as well in interpreting the projected spending reductions.

Recommendations

Final decisions on changes to SNAP should take into account the health risks and related potential costs that have been identified in this analysis. Should Congress decide to adopt any or all of the provisions of either H.R. 1947 or S. 954, the Health Impact Project offers the following recommendations to help address and mitigate some of the health risks identified in this HIA. We note, however, that that these actions would not fully mitigate the health risks identified in this analysis.

1. Raise the asset limit for SNAP eligibility. This analysis found that a majority of families with incomes below the poverty line who currently receive SNAP benefits could lose benefits because of their level of assets (such as personal savings). Allowing low-income families to build a small amount of savings or other assets can contribute to better overall health by helping families to move out of poverty.

2. Extend the phase-in period for changes to nominal LIHEAP benefit. Should the nominal LIHEAP benefit minimum amount be increased to more than $10 (explained in detail later in this paper), Congress should allow an extended phase-in period of 180 days and adjust the SNAP performance measures to provide state SNAP

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administrators time to implement the policy change in a staged manner, which will permit states to maintain SNAP program integrity.

3. Monitor health effects. If any proposed policy changes to the SNAP program, including current eligibility or benefit levels, are enacted, it will be important to conduct evaluation research to aid efforts to improve the effectiveness and efficiency of the program. USDA should consider including health effects and related health care costs in implementing current monitoring such as that mandated under the National Nutrition Monitoring and Related Research Act of 1990.

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