

TULSI GABBARD
2ND DISTRICT, HAWAII

COMMITTEE ON ARMED SERVICES
SUBCOMMITTEES
OVERSIGHT & INVESTIGATIONS
SEAPOWERS & PROJECTION FORCES

COMMITTEE ON FOREIGN AFFAIRS
SUBCOMMITTEE ON ASIA & THE PACIFIC



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Congress of the United States
House of Representatives

LATE

February 12, 2016

Hawaii State Capitol
415 South Beretania Street
Honolulu, HI 96813

Re: Testimony in Support of HB 1810

To Members of Housing, Health and Human Services Committees:

Household food insecurity is a robust indicator of health care utilization. On August 26, 2015 the Urban Institute reported that households with low food security (people facing uncertain or limited access to a nutritious diet) incurred health care expenses that were 49 percent higher than those who were food secure. Additionally health care costs were 121 percent higher for those with very low food security (those who missed meals or ate smaller meals because they couldn't afford food). Higher costs were seen across a variety of health care services, including inpatient hospitalization, emergency room visits, physician services, home health care, and prescription drugs. A direct correlation is determined between nutrition and health; as food insecurity increased, so did health care costs.

Another article from the Journal of Emergency Medicine in 2010 reported "ED [emergency department] patients from food-insecure households report more chronic and mental health problems, and difficulty purchasing medication."

Although an estimated 49 million Americans struggle with food insecurity at least part of the year, the inability to afford an adequate diet is often left out of conversations about health and health care.

The most recent report by the United States Department of Agriculture entitled "Reaching Those In Need" released at the beginning of February, reports that Hawaii was #46 in national state ranking for lowest participation rate of eligible people receiving Supplemental Nutrition Assistance Program (SNAP) benefits. The national average participation rate was 85%. Only 75 % of Hawaii residents, eligible for SNAP benefits, received them in FY 2013.

United States Department of Agriculture (USDA) report reveals that of 226,000 eligible, 56,250 eligible low income households DID NOT participate. This indicates the average monthly \$225 SNAP benefit per person was not utilized by the eligible community. There is \$12,656,250 federal monthly assistance unused benefit. The average cost of food in Hawaii is 26.57% higher than the rest of the United States which amplifies the significance and necessity of these unused benefits.

Economically, for every dollar in SNAP benefits there is a 1.80 multiplier in stimulated economic activity. When calculating the 56,250 households that were eligible but did not participate, it reveals \$22,781,250 per month unrealized in economic activity. Annually this equates to \$273,375,000 unappreciated economic activity.

As Hawaii and the rest of the United States continue to debate ways to contain health care costs and improve outcomes, clear evidence reflects that ignoring the intersection of health and hunger undermines our best efforts to promote better, cost-effective health.

Hawaii's health plan providers may be able to recognize the associated cost savings that correlate with a client's food insecurity. That will enable us to specifically identify beneficiaries and quantify their cost of care. By measuring this cost, each health plan may strategically measure the cost savings for investing in social determinants of health, such as SNAP.

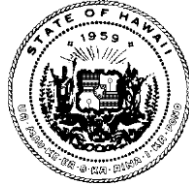
Mahalo Nui Loa,



TULSI GABBARD

Member of Congress (HI-02)

DAVID Y. IGE
GOVERNOR



RACHAEL WONG, DrPH
DIRECTOR

PANKAJ BHANOT
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

February 16, 2016

TO: The Honorable Dee Morikawa, Chair
The House Committee on Human Services

The Honorable Della Au Belatti, Chair
The House Committee on Health

FROM: Rachael Wong, DrPH, Director

SUBJECT: HB 1810 RELATING TO MEDICAID PROVIDERS

Hearing: Tuesday, February 16, 2016, 9:15
Conference Room 329, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of the bill to increase Supplemental Nutrition Assistance Program (SNAP) participation. The Department respectfully opposes this measure due to concerns regarding implementation questions as well as issues of confidentiality and privacy related to the SNAP. However, DHS is actively working on a strategy to transition the SNAP application process to the DHS Enterprise platform. Once implemented, an individual will be able to apply for SNAP and Medicaid benefits at the same time.

PURPOSE: The purpose of this measure is to authorize health care providers under the state Medicaid program to ask about Supplemental Nutrition Assistance Program (Food Stamp) participation on Medicaid certification and re-certification forms and to subsequently report aggregate responses to the legislature about participation in the Supplemental Nutrition Assistance Program.

The Department understands and appreciates the intent of the bill to increase SNAP participation. The connection between poverty, food insecurity and health is also well-

established. However, there are several logistical issues as well as SNAP privacy concerns that need to be addressed.

The bill authorizes health care providers to ask about SNAP on “medicaid certification and recertification forms.” However, the Medicaid program does not use forms called “Medicaid certification or recertification” forms that a health care provider would use to capture information about a Medicaid beneficiary. Thus, additional clarity regarding what form(s) were intended to be used is needed that would enable the Department to respond more precisely from the Medicaid perspective.

Also, we note, that the bill has all Medicaid health care providers reporting back to the legislature. Logistically, this would present challenges for the individual health care providers as well as the legislature receiving the individual reports from health care providers.

Of greater concern is regarding the Supplemental Nutrition Assistance Program (SNAP). It is an exclusively federally funded program through the United States Department of Agriculture (USDA), Food and Nutrition Service (FNS). The USDA, FNS, in establishing uniform standards of operation for the SNAP program nationally, provides regulations that protect an individual’s right to privacy and confidentiality. Asking an applicant if they are receiving SNAP violates an individual’s right to privacy and confidentiality. Disclosure of information obtained from a recipient may be made only to persons directly connected with the administration of SNAP or to others provided that the program recipient signs a release form documenting their agreement to the specific release of information. Such an agreement shall not be a condition of receipt of benefits as provided under 7 CFR Section 272.1(c).

A health insurance application form can be used to apply for SNAP; however the form must contain questions and information required by 7 CFR Section 273.2 (b) including a means to start the application process with a name, address and signature, a description of SNAP expedited services, a warning about the consequences of providing false information about the program and a nondiscrimination statement. Additionally, if the health care form is used for screening purposes only, it will not formally start the SNAP application process, does not secure a SNAP application date, and official notices regarding a SNAP interview date are not provided to a SNAP household.

The federal FNS determines the efficiency and effectiveness of SNAP by measuring the State's compliance with certain standards contained in the Food and Nutrition Act and regulations.

States are required under federal regulations to submit participation rates on a monthly basis. State-by-State information on participation is based on SNAP administrative data and Census Bureau survey data which is used to estimate the number of participants in each State. Hawaii's SNAP participation rate has increased every year since FY 2008.

Lastly, as indicated above DHS is working on a strategy to transition the SNAP application process to the DHS Enterprise platform. Once implemented, an individual will be able to apply for SNAP and Medicaid benefits at the same time.

Thank you for this opportunity to provide comments on this bill.

LATE

February 12, 2016

Hawaii State Capitol
415 South Beretania Street
Honolulu, HI 96813

Re: Testimony in Support of HB 1810 and SB 3039

To Members of Hawaii's Housing, Health and Human Services Committees:

Household food insecurity is a robust indicator of health care utilization. On August 26, 2015 the Urban Institute reported that households with low food security, meaning that they faced uncertain or limited access to a nutritious diet, incurred health care expenses that were 49 percent higher than those who were food secure. Additionally health care costs were 121 percent higher for those with very low food security (those who missed meals or ate smaller meals because they couldn't afford food). Higher costs were seen across a variety of health care services, including inpatient hospitalization, emergency room visits, physician services, home health care, and prescription drugs. A direct correlation is determined between nutrition and health; as food insecurity increased, so did health care costs.

Another article from the Journal of Emergency Medicine in 2010 reported "ED [emergency department] patients from food-insecure households report more chronic and mental health problems, and difficulty purchasing medication."

Although an estimated 49 million Americans struggle with food insecurity at least part of the year, the inability to afford an adequate diet is often left out of conversations about health and health care.

The most recent report by the United States Department of Agriculture entitled "Reaching Those In Need" released at the beginning of February, reports that Hawaii was #46 in national state ranking for lowest participation rate of eligible people receiving Supplemental Nutrition Assistance Program (SNAP) benefits. The national average participation rate was 85%. Only 75% of Hawaii residents, eligible for SNAP benefits, received them in FY 2013.

United States Department of Agriculture (USDA) report reveals that of 226,000 eligible, 56,250 eligible low income households DID NOT participate. This indicates the average monthly \$225 SNAP benefit per person was not utilized by the eligible community equating to \$12,656,250 federal monthly assistance which translates to \$151,875,000 unused annual benefit. The average cost of food in Hawaii is 26.57% higher than the rest of the United States which amplifies the significance of these numbers.

The pertinence for Hawaii's economy is that for every dollar in SNAP benefits there is a 1.80 multiplier in stimulated economic activity. When calculating the 56,250 households that were eligible but did not participate, it reveals \$22,781,250 per month unrealized in economic activity. Annually this equates to \$273,375,000 unappreciated economic activity!

As Hawaii and the rest of the United States continues to debate ways to contain health care costs and improve outcomes, clear evidence reflects that ignoring the intersection of health and hunger undermines our best efforts to promote better, cost-effective health.

Five health plans can directly inform Hawaii's impoverished citizens of their eligibility for SNAP benefits. This 10.8% of population living below the poverty line (148,368 people earning \$13,230 for an individual and \$23,090 family of four).

Five health plans can reach 41% of these households that are in DEEP POVERTY (60,821 individuals earning income 50% below the poverty line, or \$6615 / \$11545)

Hawaii's health plan providers may be able to recognize the associated cost savings associated with a client's food insecurity; we can then start with specifically identifying beneficiaries and quantifying their cost of care. By measuring this cost, each health plan may strategically measure the cost savings for investing in social determinants of health, such as SNAP.

These hearings and testimonies are full of financial requests from the State budget. This is not one of them. This is about an opportunity to stimulate the economy of Hawaii by over a quarter of a billion dollars and deliver \$151 million to Hawaii's most impoverished and hungry citizens.

Mahalo Nui Loa,

Jay King

Comments: February 12, 2016 Hawaii State Capitol 415 South Beretania Street Honolulu, HI 96813 Re: Testimony in Support of HB 1810 and SB 3039 To Members of Hawaii's Housing, Health and Human Services Committees: Household food insecurity is a robust indicator of health care utilization. On August 26, 2015 the Urban Institute reported that households with low food security, meaning that they faced uncertain or limited access to a nutritious diet, incurred health care expenses that were 49 percent higher than those who were food secure. Additionally health care costs were 121

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billion dollars and deliver \$151 million to Hawaii's most impoverished and hungry citizens. Mahalo Nui Loa, Jay King