

# Using SNAP Data for Medicaid Renewals Can Keep Eligible Beneficiaries Enrolled

Medicaid enrollees must renew their eligibility every 12 months. Unfortunately, the renewal process often causes *eligible* enrollees to lose benefits when they don't submit the required paperwork or the state is slow to process it. Enrollees who lose coverage often reapply for benefits within a few months. The resulting “churn” — eligible people cycling on and off Medicaid instead of remaining continuously enrolled — is costly both for participants, who go without health insurance, and for state agencies, which must process new applications when people return to the program.

To limit churn, Medicaid has adopted streamlined renewal procedures that can significantly reduce the risk of eligible enrollees losing coverage. These procedures, known as *ex parte* renewal, allow states to renew enrollees' coverage if electronic information indicates they're still eligible, without requiring them to fill out a renewal form or send in documents. In fact, state Medicaid agencies are required to check information available in electronic data sources *before* asking enrollees for an update.

A large share of Medicaid enrollees also participate in SNAP, so the Medicaid agency can use income information from an enrollee's SNAP case to complete the *ex parte* Medicaid renewal. This reduces agencies' workload, makes it easier for enrollees to stay covered, and reduces churn, while maintaining or improving the accuracy of the renewal process.

## Using SNAP Information for *Ex Parte* Medicaid Renewals

SNAP is a reliable data source that states can use to verify income at renewal. It is:

- **Current:** Most SNAP cases are reviewed every six months, so participants' income information is more current than other acceptable sources of income verification, such as tax data.
- **Accurate.** SNAP rules require thorough verification of income, usually through pay stubs, self-employment records, or contact with employers. In addition, SNAP participants complete an eligibility interview with a caseworker at application and usually once per year, and must report if their income rises above 130 percent of the poverty line.
- **Complete.** The SNAP case usually includes information on the type of income and who receives it.<sup>1</sup>

Medicaid agencies can take three approaches to using SNAP information, alone or in combination with other data, to maximize the rate of *ex parte* renewals in Medicaid:

1. Using SNAP income data, as recorded by recipient and income type;
2. Using gross household income determined by SNAP; and
3. Express Lane Eligibility.

These approaches are described below.

<sup>1</sup> During the COVID-19 pandemic, certain SNAP requirements around interviews and recertifications were temporarily waived.

## Using SNAP Data to Renew Coverage for People With No Countable Income

The Centers for Medicare & Medicaid Services (CMS) recently restricted states' use of *ex parte* renewals for households with no countable income. CMS has informed states that finding no information in a data source such as state quarterly wage data is insufficient to confirm that the enrollee has no countable income and remains eligible for Medicaid. Some states are requiring people without countable income to sign and return a form confirming that they have no income before renewing their eligibility, which increases the risk that eligible people will lose coverage.

However, SNAP data can be used to complete *ex parte* renewals for these enrollees. A SNAP case with no income isn't the same as finding no information in another data source, because the SNAP data were confirmed during the eligibility determination process and have already been attested to by the client. Therefore, Medicaid agencies can use any of the three strategies described in this brief to complete an *ex parte* renewal for households with no countable income that also receive SNAP.

### 1. Using SNAP Income Data

Medicaid agencies check multiple data sources to verify income eligibility, such as the Social Security Administration, state quarterly wage data, and The Work Number (a commercial income-verification database). In addition to these sources, agencies should also use SNAP data to verify:

- Earned income from an employer;
- Self-employment income;
- Unearned income when information isn't available in other databases, (e.g., pension income); and
- Absence of income for an individual or household. (See box above.)

Income information in the SNAP file usually specifies who receives it and the type of income, allowing Medicaid to select income that is countable for Medicaid and received by individuals in the Medicaid household while excluding SNAP income that is not countable for Medicaid (such as child support received).

#### Example 1 – Self-Employed Individual

Tasha is self-employed and receives Medicaid and SNAP. At her Medicaid renewal, the eligibility system checks quarterly wage data, The Work Number, and SNAP. Since Tasha is self-employed, no information is available in quarterly wage data or The Work Number. But the system finds self-employment income coded on the SNAP case that was verified at her SNAP application three months earlier. The income amount is below the Medicaid eligibility threshold for Tasha, so the system automatically renews her Medicaid coverage.

#### Example 2 – Individual With No Countable Income

Mario receives Medicaid and SNAP and is currently unemployed. At his Medicaid renewal, the eligibility system checks quarterly wage data, The Work Number, and SNAP. There are no earnings records in the quarterly wage data or The Work Number, but the SNAP case shows that Mario's lack of any earned income was verified at his recertification four months ago. The system relies on the SNAP data to verify Mario's eligibility and automatically renews his Medicaid coverage.

## 2. Using Gross Household Income Determined by SNAP

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Medicaid agencies can also rely on SNAP gross household income to renew Medicaid through the fast track state plan option.<sup>2</sup> The option is available for non-disabled adults under 65 and children and allows states to renew Medicaid for individuals receiving SNAP who are certain to be eligible for Medicaid. (See box below.)

If a Medicaid agency determines a beneficiary is certainly eligible for Medicaid based on the gross household income determined by SNAP, it can automatically renew the beneficiary's Medicaid through the *ex parte* process. Medicaid and SNAP agencies can automate the process within their eligibility systems. For those not eligible for Medicaid renewal using the fast track option, states can still complete *ex parte* renewals by using other electronic data sources, including SNAP as described above.

### Fast Track State Plan Option

A SNAP household is considered certainly eligible for Medicaid if it:

1. Has gross income (as determined by SNAP) at or below the Medicaid income limit;
2. Does not contain any household members ineligible for SNAP, such as ineligible immigrants;
3. Does not have income that is included in MAGI (modified adjusted gross income) but excluded for SNAP, a rare circumstance;
4. Does not have a member who is part of a tax household that includes an individual living outside the home (such as a child who doesn't live with a parent who claims them as a tax dependent);
5. Does not have any self-employment income (in states with a standardized self-employment deduction in SNAP);
6. Does not have a member who makes child support payments that are excluded from their gross income for SNAP; and
7. Consists of individuals who live alone, parents living with their children, or married couples (with or without their children), or has total household income below the Medicaid eligibility limit for a household of one.

## 3. Express Lane Eligibility (ELE)

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Medicaid agencies can use ELE to automatically renew Medicaid for children also receiving SNAP. ELE allows Medicaid agencies to rely on income findings from another program, such as SNAP, to determine eligibility for or renew Medicaid — even when that program's methodology for determining income and household size differs from Medicaid's.<sup>3</sup> While ELE can only be used for children,<sup>4</sup> it allows a Medicaid agency to compare a list of children on Medicaid due for renewal against the SNAP database and complete an *ex parte* renewal for any child receiving SNAP.

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<sup>2</sup> States also can apply for a fast track waiver to enroll or renew SNAP recipients likely eligible for Medicaid. However, this waiver is only available temporarily, is limited to states experiencing application or renewal backlogs, and requires a determination of eligibility based on modified adjusted gross income (MAGI) within 12 months, so it cannot be used to renew Medicaid on an ongoing basis. While states newly expanding Medicaid can use this approach to enroll large numbers of participants, it is not the best pathway for increasing *ex parte* renewals.

<sup>3</sup> ELE can be used to meet any Medicaid eligibility criterion except verification of citizenship. However, at renewal, verification of citizenship isn't required since it's not a factor subject to change.

<sup>4</sup> One state, Massachusetts, uses ELE for adults through a section 1115 waiver.

## State Spotlight

### South Carolina Using ELE

[South Carolina](#) faced significant churn among children in Medicaid in the early 2000s. About half of children enrolled in Medicaid lost coverage each year, with the majority returning within a year; the state spent many hours re-enrolling children after they lost coverage at renewal. Though the state has separate systems and caseworkers for Medicaid and SNAP, the agencies worked together to implement ELE in 2011 to reduce churn. The agencies already had a data-sharing agreement in place and developed a process for transferring SNAP data to the Medicaid agency, which then compared the data against Medicaid enrollment data to determine which children were eligible for Medicaid renewal. After implementing ELE at renewal, the state saw a significant reduction in enrollee burden and state administrative cost.

## Implementation

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Any state can implement these strategies, whether it has integrated administration of SNAP and Medicaid or the programs are in separate agencies or systems. Integrated states may find it easier to rely on detailed SNAP income data, since Medicaid eligibility is in the same system and the coding is shared. States with separate systems may rely on the fast track state plan option or ELE, since these only require Medicaid to access the total income calculated by SNAP. Agencies may also use a combination of the three strategies to maximize the *ex parte* success rate and significantly reduce the burden on beneficiaries and agencies.

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### Additional Resources:

- Federal regulations governing Medicaid renewals, [42 CFR §435.916](#)
- [CMS letter to state Medicaid directors](#) expanding targeted enrollment strategies to include a new state plan option, August 31, 2015
- [Technical Assessment of SNAP and Medicaid Financial Eligibility under the Affordable Care Act \(ACA\)](#), CBPP, revised June 6, 2013
- [Opportunities for States to Coordinate Medicaid and SNAP Renewals](#), CBPP, February 5, 2016
- [Medicaid Renewal Processes and Use of Periodic Data Matches Between Renewals for Children, Pregnant Women, Parents, and Expansion Adults](#), Kaiser Family Foundation, March 26, 2020
- [Express Lane Eligibility for Medicaid and CHIP Coverage](#), Medicaid.gov
- [CMS letter to state health officials](#) providing guidance on implementing Express Lane Eligibility, February 4, 2010