

# Moving to 21st-Century Eligibility

## A Menu of Options

By Sarah Fass Hiatt, based on the paper, *Moving to a 21st Century Public Benefits System* by Stan Dorn and Elizabeth Lower-Basch

Federal policymakers and innovative states across the country are modernizing eligibility determination for public benefits by using existing data sources and sophisticated information technology.

### ■ Changes in Eligibility Rules

*May require legislative authority, but greatest streamlining pay-off*

- Use the findings of other programs to establish eligibility and benefit levels
  - e.g. through “direct certification,” the National School Lunch Program qualifies children for school lunch based on participation in SNAP or TANF
- Use prior year tax returns to determine eligibility
  - e.g. Medicare Part B premiums are based on income, which is calculated through data matches with federal income taxes from the past two years
- Provide continuous eligibility (e.g. for 6 or 12 months)
  - e.g. Medicaid and CHIP can provide children with eligibility for up to 12 months, regardless of changed household circumstances
- Eliminate eligibility requirements that can’t be verified with data or expedite determinations when income is far below cut-off
  - e.g. several states have repealed or limited asset tests (available data on assets is more limited than income) for SNAP, health insurance, and other programs and found it can simplify enrollment and lead to increased administrative savings

### ■ Changes in Eligibility Procedures

*Often can be done under existing rules*

- Use data matches, rather than consumer provided information
  - e.g. in Massachusetts, the state automatically qualified some residents for the new “Commonwealth Care” health program through data matches
- Store eligibility data so it can be accessed by multiple programs
  - e.g. Utah uses an enrollment system across several social service programs (including SNAP, Medicaid, and TANF) that pulls data across data sources into one database
- Implement “No wrong door” policies
  - e.g. many states use a single form for Medicaid and separate CHIP so that regardless of where the form is submitted, a child’s eligibility for the appropriate program will be determined
- Streamline renewal procedures
  - e.g. Louisiana uses data matches to automatically renew children’s eligibility for health insurance and has seen dramatic declines in churning

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# Challenges to 21st Century Eligibility Approaches

- **Data quality, security and privacy:** Consumers may be denied benefits based on inaccurate data – they should always be given the opportunity to correct erroneous information about their eligibility. Consumers should also always be informed that their data is being shared and be given the choice to opt-out.
- **Reduced targeting of assistance to need:** Shaping eligibility rules to fit existing data means disregarding factors not easily proven through data. Policymakers must balance the improved targeting that results from a specific eligibility criteria against having a more streamlined application and renewal process.
- **Special issues facing capped programs:** With limited amounts of federal funding going to capped programs (e.g. child care, LIHEAP, and housing), there is typically not an option for increased spending. Streamlined procedures that reduce administrative costs can redirect resources to helping more low-income families.
- **Increased benefit costs:** Modernized procedures can increase program costs due to increased participation and expanded eligibility. Increased participation by eligible families however, is one of the major goals of these reforms.
- **Infrastructure development and other transition costs:** Significant investments in information technology may be needed to adopt 21st Century systems. The Affordable Care Act requires data matches for health insurance and creates an opportunity to modernize health and human service enrollment systems.
- **Unintended consequences:** Streamlined eligibility can reduce benefits in some cases, e.g. if targeted deductions are replaced by standard deductions. Clear communication to consumers and community groups can ensure that needy families do not receive less help.
- **Challenges for immigrant and mixed status families:** Immigrant eligibility varies across programs and across states. Policymakers must make clear that immigrants deemed ineligible for one program may be eligible for (and may apply directly to) other programs.
- **Keeping the traditional front doors open:** As on-line enrollment expands, some families will still need in-person help in applying for assistance, regardless of how simplified the process becomes.

***Twenty-first Century approaches use existing data sources and information technology to lower administrative costs, reduce the burdens placed on consumers, improve access to benefits, and strengthen program integrity.***

*To learn more about these strategies and to see more examples of the strategies in action, see:*

***“Moving to a 21st-Century Public Benefits System:  
Emerging Options, Great Promise, and Key Challenges”***