

DC Fails to Invest in Vital Health and Income Support Programs Despite Moment of Great Need

By Kate Coventry

Core public health and income support programs — such as the DC Healthcare Alliance, Interim Disability Assistance (IDA), Temporary Assistance for Needy Families (TANF), and Supplemental Nutrition Assistance Program (SNAP) — help residents with low or no income access health care and make ends meet. These programs play an even more vital role during recessions when tens of thousands additional residents experience job loss or a reduction in work hours and may lose employer-sponsored health insurance and income.

The COVID-19 pandemic continues to devastate our public health and key sectors of our economy, with Black and brown residents bearing the brunt of these hardships due to longstanding inequities in health care, education, employment, and wealth-building opportunities. The uneven harm of the pandemic throws the inadequacy and inequality of our core health and income support programs into sharp relief. In particular, the DC Healthcare Alliance, which primarily serves immigrants, has much more onerous recertification requirements than Medicaid even though the programs fulfill the same purpose — providing health insurance to residents with low incomes. IDA, cash assistance for residents waiting for federal disability benefits, is also inadequately funded, leaving many without needed benefits. Both the cash benefit programs, TANF and IDA, as well as SNAP fail to provide enough support for residents to make ends meet.

The fiscal year (FY) 2022 budget addresses a few, but not all, of these inadequacies. The budget adds funding to meet the higher TANF caseload and provide a cost-of-living adjustment to TANF and IDA recipients. It also adds funding for a TANF diversion program and a program to ensure that TANF families do not lose resources due to increases in income that lead to decreases in benefits. However, the budget does not permanently remove barriers to health insurance for immigrants or expand IDA to reach more residents in need. It also fails to increase SNAP benefits, leaving households unable to pay for their food needs.

FISCAL YEAR 2022 APPROVED BUDGET SUMMARY: CORE INCOME & HEALTH SUPPORTS

- Temporarily removes some barriers to health care for immigrants but fails to make needed changes permanent.
- Fails to expand the Interim Disability Assistance caseload.
- Adds funding in the FY 2021 supplemental budget and FY 2022 budget to fund the increased TANF caseload.
- Adds funding for two pilots: a TANF diversion program and a program to ensure TANF families do not lose resources due to increases in income that result in decreases in benefits.
- Preserves scheduled cost of living adjustment to TANF and IDA benefits.
- Fails to increase SNAP benefits, but federal government increased benefits.

Budget Misses Key Opportunity to Permanently Remove Barriers to Health Care for Immigrants

The FY 2022 budget temporarily removes some barriers to accessing health care through the DC Healthcare Alliance, a local program that provides health insurance coverage to residents with low incomes who are not eligible for Medicaid — primarily immigrants. Given their shared purpose, the DC Healthcare Alliance and Medicaid program should have identical, low-barrier application and recertification requirements. But since 2011, the DC Healthcare Alliance has required participants to recertify every six months and requires participants to do at least one recertification annually in person. Medicaid only requires annual recertification and allows participants to do so online. Given that many Alliance members are working — often at jobs without paid leave — and that visiting a social service center can take an entire day or longer, the six-month in-person recertification process means foregoing a day or more of pay and risking losing a job to maintain health coverage. These barriers contributed to a sharp drop in Alliance enrollment (*Figure 1*) and unnecessarily high program costs.¹ The high rate of turnover, or “churn,” from frequent recertification results in higher costs because it limits access to preventive care, which means participants often are sicker when they re-enroll, and because sicker residents are most willing to go through the process of maintaining coverage. Thousands of Black and brown residents who should have health insurance do not — the uninsured rate is 6.8 percent among Latinx residents and 5.5 percent for Black residents compared to 1.4 percent for white residents.²

The administration waived the in-person recertification requirement during the public health emergency and the budget extends this waiver through the end of FY 2022. But the budget maintains the requirement that participants recertify twice per year and does not waive the in-person recertification permanently, meaning immigrant residents will continue to face higher barriers to accessing health care.

Missed Opportunity to Expand IDA to Residents in Need

IDA provides modest, temporary cash benefits to adults with disabilities who have applied for federal disability benefits, Supplemental Security Income (SSI), and are awaiting an eligibility determination. IDA is a vital lifeline for DC residents who cannot work and have no other income or other means to support themselves. Individuals may only have \$2,000 in assets.³ The wait for federal benefit determination has skyrocketed in recent years, from 350 days in 2012 to nearly 600 days in 2017.⁴ And it appears that wait times have increased by up to an additional 60 days due to the pandemic.⁵

FIGURE 1.

Alliance Participation Fell Dramatically When Burdensome Application Rules Were Adopted

DC Healthcare Alliance Enrollment



Source: July 2010 to November 2018 MCAC Enrollment Reports, Department of Health Care Finance.

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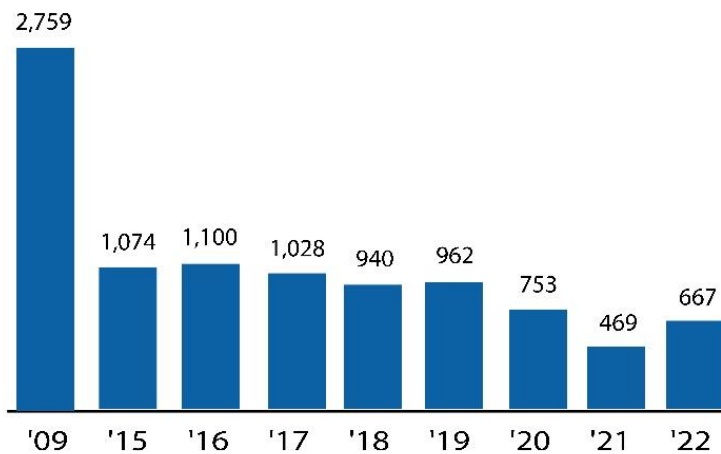
The FY 2022 budget keeps funding for IDA flat for the third year in a row. It combines \$2.5 million in local funding with \$800,000 in federal reimbursement funds from the Social Security Administration (SSA). When an individual is approved for SSI, the federal government reimburses the District for the IDA benefits the individual received. The total budget is less than one-third of the program’s FY 2009 peak funding level of \$10.9 million, when there was no cap on the number of people who could receive benefits.

While funding is flat, the number of IDA recipients is projected to be an average of 667 per month in FY 2022, up from the FY 2021 average of 469 per month but down from the FY 2020 average of 753 (Figure 2). The FY 2020 to FY 2021 drop was likely due to two primary factors. First, SSI applications were down nationally, in part due to the closure of SA offices because of COVID-19.⁶ Many people learn of the SSI program at their local office, and many must complete the application in office. Second, DC has moved to a new application system for IDA, making it difficult for some to submit applications. The Department of Human Services (DHS) is working with advocates to address issues with the new system.

FIGURE 2.

IDA Caseload Less Than Quarter of When Program Served All In Need

Average monthly caseload



Source: Information provided to DCFPI by the Department of Human Services; Department of Human Services Performance Oversight Answers FY 2013-2021; Department of Human Services, FY 2016 Budget Oversight Hearing.

There is evidence that the FY 2022 caseload of 667 per month may fall short of what is needed. The SSA is anticipating a large increase in SSI applications in FY 2022, but DC will serve 86 fewer people per month in FY 2022 than in FY 2020. And the caseload is less than one quarter of what it was in 2009 when IDA was an entitlement and all in need were served.

By law, IDA benefits are supposed to be adjusted for cost of living annually — known as a COLA — so that benefits keep pace with inflation. The mayor cancelled this increase in FY 2021 due to the tight budget, but the FY 2022 budget includes a COLA. The IDA benefit will increase slightly to \$418 per month from \$414 per month. Because the number of recipients fell in FY 2021, benefits will increase without requiring the agency to cut recipients from the program.

Investments Made in TANF

The District's TANF program provides cash assistance, subsidized child care, and employment resources to help families with children facing economic hardship. The program is funded with a mix of federal and local funds and acts as a critical bridge to stability and a shield against the harm of deep poverty.

The FY 2021 supplemental budget includes an eight-million-dollar allocation from federal relief funds to support the increased caseload in the program due to the current recession. The FY 2022 budget includes a \$15 million infusion of federal funding to cover increased benefit costs associated with the larger caseload, a TANF diversion pilot, and the scheduled COLA. Like IDA, by law, TANF benefits should be adjusted for inflation annually, but the District government cancelled this in FY 2021. With the infusion of federal funds, the maximum benefit for a family of three will increase modestly to a \$665 per month from \$658 per month (*Figure 3*).

The diversion pilot offers a one-time payment to families whose needs may be met with a larger infusion of cash rather than ongoing monthly benefits, such as a parent who needs to repair a broken car used to travel to work. DHS has not yet finalized the design for the diversion program as they plan to consult with stakeholders and research programs in other states.

The budget also allocates federal funding for a new program, the Career Mobility Action Plan (MAP). As families' incomes rise, they may lose benefits like child care and SNAP entirely or see them reduced and be left with fewer resources. MAP is a pilot program for 300 families in the Rapid ReHousing program that will provide cash payments to offset lost benefits.⁷ The budget allocates federal funds totaling \$2.7 million for FY 2022 and \$4.7 million annually for FYs 2023 and 2024.

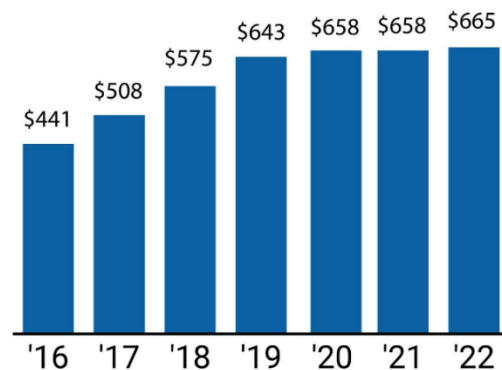
DC Fails to Increase SNAP Benefits but Residents Will See Increase Due to Federal Action

District lawmakers ignored advocate's request to increase SNAP benefits by 30 percent to better meet food costs of DC residents. Current benefits are based on the Thrifty Food Plan (TFP), originally created by the US Department of Agriculture (USDA) as an emergency restricted diet and does not provide enough nutrition. TFP is also based on national cost averages, but food in DC is more expensive than much of the country. A family of four receiving the maximum benefit, receives just \$680 per month.⁸ Raising benefits by 30 percent would set benefits to the USDA Low-Cost Food Plan, a more realistic estimate of a family's actual food costs. Luckily, residents will see an increase in benefits because the federal government recently increased the maximum SNAP benefit by approximately 21 percent, representing the single largest permanent increase in SNAP benefits in the program's history.⁹ Still, the improvement falls short of the amount needed to set benefits to the Low-Cost Food Plan.

FIGURE 3.

TANF Benefits to Increase in FY 2022

Monthly benefits for a family of three



Source: Notice of Proposed Rulemaking to amend DCMR Title 29, Chapter 72, 10/15/2021; Office of the Chief Financial Officer, Fiscal Years 2021-2018 Approved Budget and Financial Plans; Council of the District of Columbia, FY 2016 Budget Support Act of 2015; 29 DCMR§7200; DC Code §4-205.52; Rule Number 29-5814.

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¹ Medicaid expansion through the ACA in 2010 shifted approximately 33,000 residents from the Alliance program to Medicaid. However, after a period of stable enrollment, caseloads began to decrease after a six-month, in-person recertification requirement began for all enrollees in FY 2012.

² Kaiser Family Foundation (KFF). “[2019 Uninsured Rates for the Nonelderly by Race/Ethnicity](#),” Retrieved November 2, 2021.

³ MaryBeth Musumeci and Kendal Orgera, “[Supplemental Security Income for People with Disabilities: Implications for Medicaid](#),” Kaiser Family Foundation (KFF). June 23, 2021.

⁴ Terrence McCoy, “[597 Days. And Still Waiting](#),” *The Washington Post*, November 20, 2017.

⁵ Bobbi Dempsey, “[With COVID delays, You May Die Waiting for Benefits](#),” *In These Times*, February 16, 2021.

⁶ MaryBeth Musumeci and Kendal Orgera.

⁷ Rapid ReHousing combines short-term rental assistance and services to families exiting homelessness.

⁸ U.S. Department of Agriculture. “[SNAP—Fiscal Year 2021 Cost-of-Living Adjustments](#),” July 29, 2020

⁹ Joseph Llobrera, Matt Saenz, and Lauren Hall. “[USDA Announces Important SNAP Benefit Modernization](#),” Center on Budget and Policy Priorities. August 26, 2021.