Introduction

In August 2013, we released a report highlighting how California can leverage the implementation of the Patient Protection and Affordable Care Act to foster the interoperability, or “horizontal integration,” of safety net and work support programs with the new health care marketplace.1

California has taken steps to integrate major public benefits programs with its health care marketplace, Covered California. Covered California’s IT system, CalHEERS, will be interoperable with SAWS, the IT system for CalFresh, CalWORKs, and Medi-Cal, and the state has enacted several laws in recent years to foster horizontal integration. Nevertheless, California still has some of the lowest participation rates of any state in key public benefit programs. California is one of a handful of states that administers public benefits at the county level, which both incentivizes and poses challenges to horizontal integration.

Different program eligibility requirements and procedural hurdles at the state and federal levels make simplification and streamlining of enrollment processes more difficult.

This memo describes ways in which the state legislature can promote horizontal integration and identifies areas for further study by the Legislative Analyst’s Office:

1. The legislature should continue to modernize public benefits programs by requiring counties to accept telephonic signatures from CalFresh applicants.

2. The legislature should streamline enrollment into WIC and subsidized child care by authorizing data sharing agreements between the agencies that administer these programs.

3. The legislature should direct the Employment Development Department and Covered California to capitalize on their existing data link to increase program awareness and take-up.

4. The LAO should identify additional ways to align and simplify enrollment in key public benefits programs to maximize participation of eligible individuals and families.

In Section A, we discuss these recommendations by program. In Section B, we identify some challenges to horizontal integration, including cost concerns and privacy considerations. In Section C, we describe areas for additional research. Finally, we include a list of recent horizontal integration legislation and state experts on these issues.
A. Recommendations

California should continue to streamline public benefits enrollment processes in the push toward full horizontal integration. California can further simplify existing processes for major health and human services programs, including CalFresh, CalWORKs, and Medi-Cal. In addition, California can expand horizontal integration efforts to include the Women, Infants, and Children program, subsidized child care, and programs administered by the Employment Development Department.

1. CalFresh

California has recently improved access to CalFresh, the federally-funded nutrition assistance program administered by the California Department of Social Services (CDSS). In 2011, the state eliminated the fingerprinting requirement for CalFresh. A year later, CDSS started a CalFresh Modernization Initiative, which jumpstarted efforts to simplify the program and decrease barriers to enrollment. But California still lags behind all other states in CalFresh participation rates, and the state can do more to streamline access for eligible households consistent with health care reform’s no-wrong-door policy.

The 2008 Farm Bill allows states to “establish a system by which an applicant [SNAP] household may sign an application through a recorded verbal assent over the telephone.” Such a system must record the verbal assent of the household member; safeguard against impersonation, identity theft, and invasions of privacy; permit the household to apply in writing; provide a written copy of the completed application; and use appropriate bilingual personnel when a substantial number of low-income households speak a language other than English.

Earlier this year, CDSS waived the face-to-face interview requirement for CalFresh-only applicants and permitted telephonic interviews. In September 2013, CDSS offered guidance to counties on how to implement procedures to accept verbal assent on CalFresh and CalWORKs applications. However, CDSS noted that “[i]t is not a mandate that CWD’s [county welfare departments] accept a telephonic signature for CalFresh or CalWORKs. As such, there is no CDSS funding available for the implementation of telephonic signatures.” In other words, telephonic signatures are permitted but not required. Thus, while CalFresh applicants can now interview by phone, in most counties they cannot sign applications telephonically.

The benefits of accepting telephonic signatures for CalFresh in California have already been demonstrated. After San Diego offered telephonic signatures to CalFresh applicants, completion rates rose significantly. Applications were also completed in a more timely fashion, leading to an overall increase in the number of CalFresh recipients. Given the federal requirement that states accept telephonic signatures for health coverage applications by 2014 and the flexibility described above, California should require all county welfare departments to accept telephonic signatures for CalFresh applications.

2. Women, Infants, and Children

The Women, Infants, and Children (WIC) program is administered by the California Department of Public Health (CDPH) and offers free education about nutrition, vouchers for food, support for breastfeeding, and referrals for low-income, pregnant women, and low-income children under the age of five. Because the populations served by the WIC program and other programs administered by county welfare agencies largely overlap, California should formalize data sharing between CDPH and CDSS. Federal regulations already allow Medicaid enrollees to be “adjunctively eligible” for WIC. Thus, the Integrated Statewide Information System (ISIS), which contains information about WIC recipients, is already linked to the Medi-Cal Eligibility Database System (MEDS).

CDSS can further streamline enrollment of WIC recipients into CalFresh and CalWORKs by formally executing an interagency data sharing agreement, or Memorandum of Understanding (MOU), with CDPH. Data sharing between ISIS and CDSS’s State Automated Welfare System (SAWS) would improve WIC’s ability to determine eligibility, since applicants who are eligible or enrolled in CalFresh or CalWORKs are also “adjunctively eligible” for WIC. CDPH should execute an MOU with CDSS to allow for the sharing of information about WIC recipients with county welfare departments.
3. Subsidized Child Care

The California Department of Education (CDE) administers all subsidized child care programs except CalWORKs Stage 1 child care, which is administered by CDSS. Subsidized child care vouchers allow families to choose care from a list of available providers, while contracted programs offer “slots” to children in particular centers. CDE contracts with Alternative Payment Programs (APPs), which determine child care subsidy eligibility and distribute vouchers. Local CDSS offices generally distribute CalWORKs Stage 1 vouchers, but in some instances, CDSS also contracts with local APPs to distribute Stage 1 vouchers.

This structure allows for little coordination between APPs and other benefit programs. CalWORKs families receive child care vouchers during their interactions with county welfare departments, but CalFresh and Medi-Cal participants not receiving CalWORKs are also often eligible for child care subsidies. County welfare departments could use child care subsidy eligibility lists—formerly known as the Centralized Eligibility List (CEL)—to screen for eligibility for other public benefit programs. CDE contractors could also use this information to determine eligibility for CalFresh and other benefits when a parent seeks information about child care subsidies. Unfortunately, the CEL was defunded in the Budget Act of 2011, so most counties no longer maintain a centralized list of families in need of subsidized child care.

To streamline enrollment of eligible low-income families, the legislature should reauthorize funding for CELs and authorize data sharing between subsidized child care programs administered by CDE (through contracts with local APPs) and CDSS.

4. State Disability Insurance, Paid Family Leave, and Unemployment Insurance

The Employment Development Department (EDD) administers state disability insurance, paid family leave, and unemployment insurance. State disability insurance provides partial wage replacement to eligible workers who are unable to work due to a temporary disability. Paid family leave offers compensation for individuals who take time off of work to care for a seriously ill family member or to bond with a new child. Unemployment insurance provides partial wage replacement to unemployed workers.

Under AB 174 (2012), the EDD must allow Covered California to obtain information regarding employee wages and data about disability insurance and unemployment insurance claims. Over the course of their relationship with Covered California, some consumers are likely to need access to EDD-administered programs. The legislature should direct EDD and Covered California to take full advantage of their data sharing agreement to disseminate information about EDD programs to families who would benefit from them.

B. Challenges

Modernizing processes and increasing agency coordination will be challenging. Some efforts will require funding and others will raise privacy concerns and may result in unintended consequences. We note these challenges next.

1. Cost

The state does not always fund counties to adopt new and efficient technologies. As noted above, the state has not provided funding for telephonic signatures. As a result, most counties do not yet offer the option to sign CalFresh applications by telephone. Similarly, lack of funding for AB 402 and the absence of any state mandate (or penalty) helps to explain why data sharing between school districts and county welfare departments exists in only four of the state’s 58 counties.
The LAO should evaluate the cost implications of requiring counties to adopt these technologies. Some costs, like notifying Covered California users that they might be eligible for paid family leave, state disability insurance, or unemployment insurance, should be marginal.

The additional costs of telephonic signatures for CalFresh may also be marginal, since county welfare departments will already be required to accept such signatures for Medi-Cal in 2014.

Importantly, the federal government will fund costs related to horizontal integration. For example, federal funding is available for the development of telephonic signatures if made in conjunction with the development and/or upgrade of Medicaid eligibility systems like SAWS.

2. Privacy and Unintended Consequences

Data sharing between agencies raises concerns about privacy and confidentiality. When data sharing is permitted between agencies, program participants must be notified. For example, WIC participants must be notified up front if their confidential data will be shared.

California agencies have addressed these requirements by establishing protocols in corresponding MOUs. AB 422 (2013) and AB 402 (2011) authorized the CDE school lunch program to share information with county welfare departments about CalFresh and health coverage. The new laws also required that county welfare departments use information provided by the school lunch program to determine eligibility for programs like CalFresh.

In July 2013, CDSS released guidance on implementation of AB 402. It instructed county welfare departments and school districts willing to participate in this kind of sharing to execute an MOU, which would outline what information should be shared and for what purpose. The guidance underscores the need to obtain the written consent of participants before proceeding.

The Santa Clara County Social Services Agency entered into MOUs with local school districts and developed a process to share this information. The school gives consent forms to parents for review. If the family returns the consent form, the school sends relevant information to the welfare department for processing. At that point, eligibility workers screen for existing enrollment in CalFresh and decide if a new application is necessary.

To address additional privacy concerns, agencies may ask applicants to opt in or opt out of sharing their information. Under AB 402, families must provide written consent to share data on a release form. The form provides a box to check: “Yes! I want the District to share information from my F/RP school meal application with the CalFresh Office to determine if my family is eligible for CalFresh benefits. I realize that the information provided will be shared only with the CalFresh Office.” Most consent forms ask if applicants would like to opt in, but more applicants will likely share information if they are given the choice to opt out. The consent form should be written clearly and concisely so that parents understand what they are signing.

Effecting data sharing between agencies and aligning requirements across public benefits programs may cause unintended consequences. For example, WIC does not consider citizenship status and has a higher income threshold (185% FPL) than CalFresh and CalWORKs. Therefore, some WIC advocates are wary of aligning programs because WIC has the least stringent requirements of the aforementioned programs. Aligning WIC standards with CalFresh or CalWORKs requirements may make it harder for eligible women, infants, and children under five to access benefits.

These concerns can be overcome with careful planning and analysis. The state will need to balance privacy concerns with the benefits of data sharing and streamlined enrollment more generally. Sharing data in two directions may reduce some complexity that could be introduced if one agency merely received data from another and did not reciprocate. For example, rather than sharing data from CDPH to CDSS in only one direction, CDSS can share information held on SAWS with CDPH to help get CalFresh recipients onto WIC.
C. Areas For Additional Research

California has reduced some barriers to integrating CalFresh, CalWORKs, and Medi-Cal, but these programs remain poorly aligned at key stages of the enrollment process, including: (1) eligibility (program requirements), (2) application (information verification), and (3) renewal (recertification processes). Further, alignment and simplification efforts have been limited to the core benefit programs and have not reached other important programs like WIC and subsidized child care.

1. Eligibility: Align program requirements

California has flexibility under federal law to align additional substantive and procedural eligibility requirements for programs like CalFresh, CalWORKs, Medi-Cal, WIC, and subsidized child care. The Center on Budget and Policy Priorities’ Work Supports Strategies Initiative assisted a handful of states beginning in 2011 to design and implement streamlined and integrated approaches to delivering public benefits to low-income working families.30 As of July 2013, Colorado, Idaho, Illinois, North Carolina, Rhode Island, and South Carolina are still participating in the initiative.31 With the help of the CBPP, Illinois aligned income calculations for child care and for medical assistance to make it easier for eligible families to apply for and receive such benefits.32 California should research the possibility of adopting these models.

2. Application: Simplify information verification

California can leverage new information-sharing opportunities to relieve applicants of unnecessary burdens and reduce demands on county caseworkers.33 Under health care reform, much of the additional verification necessary for Medi-Cal can now be performed electronically. Covered California has access to the federal data hub, a tool intended to verify application information normally used to determine eligibility for enrollment in qualified health plans and insurance affordability programs. The hub has access to information from sources including, but not limited to, the Internal Revenue Service, Health and Human Services, the Department of Justice, and the Social Security Administration.34 CalHEERS, the information technology system behind Covered California’s online portal, is scheduled to interface with SAWS by January 2014.35

CalFresh applicants can apply online and by phone, but individuals are still required to verify certain information with additional documentation—personal identification, social security numbers, residency, income and citizenship. California can facilitate the enrollment of individuals into programs like CalFresh if SAWS has access to the federal data hub, allowing for a more streamlined completion of applications on behalf of individuals for all public benefits programs. At the moment, it is unclear if information from CalFresh-only applicants—that is, applicants not also applying for Medi-Cal or subsidized health coverage through Covered California—can be verified against the federal data hub.36 This and other unresolved questions about the relationship between SAWS and the federal data hub merit further research.

3. Renewal: Synchronize recertification periods

California can synchronize renewal and recertification periods for CalFresh, CalWORKs, and Medi-Cal to increase the ability of eligible recipients to maintain their benefits. Currently, Medi-Cal requires annual reporting,37 CalFresh requires semi-annual reporting,38 and CalWORKs requires quarterly reporting.39

Under federal law, TANF (CalWORKs) requires at least annual reporting.40 SNAP (CalFresh) reporting is required at least every six months.41 It is possible to extend the SNAP reporting period to one year in order to align with existing Medi-Cal program requirements.42 The Western Center on Law and Poverty is developing legislation to align Medi-Cal and CalFresh renewal dates, but the LAO should research the full range of state options to accomplish this important goal.

The Legislative Analyst’s Office should research and identify additional ways for the state to simplify and align CalFresh, CalWORKs, Medi-Cal, WIC, and subsidized child care at all steps of the enrollment process.
Conclusion

California has made great strides in eliminating both substantive and procedural barriers to various public benefits programs over the last few years, but we can do more. California should not only simplify and align existing requirements for CalFresh, CalWORKs, and Medi-Cal, but the state should extend these horizontal integration efforts to WIC, subsidized child care, and programs administered by the EDD. By modernizing these programs and increasing data sharing among agencies, the state can streamline application processes and maximize enrollment of eligible individuals and families.

California should also rationalize the application, enrollment, and renewal of public benefits. The Legislative Analyst’s Office should examine ways in which the state can align eligibility requirements, simplify verification processes, and synchronize recertification periods for CalFresh, CalWORKs, Medi-Cal, WIC, and subsidized child care. By doing so, California will lead the nation in developing a seamless array of safety net and work support programs.

Notes

1 Next Generation & East Bay Community Law Center, *The Obamacare Opportunity: Implementing the Affordable Care Act to Improve Health, Reduce Hardship, and Grow the Economy for All Californians* (August 2013).


3 California Department of Social Services, *State Efforts to Improve the CalFresh Participation Rate* (March 2013).


8 It is difficult to know exactly how many counties are currently accepting electronic signatures. In those that do not, applicants currently must fax a signature or visit a county welfare office in person to complete the process.


10 Id.

11 The Affordable Care Act, Section 1943(b)(1)(A); 42 C.F.R. § 435.907.

12 7 C.F.R. § 246.7(d)(2)(vi); see also California Department of Health Services, WIC Program Manual, WIC 210-02 (May 4, 2009).


14 In general, families with household incomes less than 70 percent of the state median income qualify for child care subsidies. For a family of four, this would amount to an annual income of $56,742 or less. Calculations based on the California 2013 state median income of $75,656 available at http://www.justice.gov/ust/en/bacpca/20130401/bci_data/median_income_table.htm. CalFresh families with incomes below 130% of the federal poverty level, or an annual income of about $30,615 or less, would qualify for assistance. Calculations based on 2013 federal poverty level for family four of $23,550 available at http://aspe.hhs.gov/poverty/13poverty.cfm.

15 Cal. Educ. Code § 8227 (2010). By signing up on CELs, child care providers can access a family’s information when they have openings. North Carolina currently uses SNAP data to determine

16 California Department of Education, Centralized Eligibility List, available at http://www.cde.ca.gov/sp/cd/ci/cdcelbackground.asp (last accessed Dec. 7, 2013). A few counties, including Santa Clara and Sacramento, still operate their own local CELs on a voluntary basis. Child care advocates have argued that the state should establish a centralized eligibility system for child care, which could be built into SAWS. See Child Care Law Center, Child Care Subsidies in California, pp. 68-74 (April 2010).

17 Many parents who access child care subsidies via APP system (those who have not accessed subsidized child care via the CalWORKs system) do not consider themselves “on aid” and resist interaction with county welfare departments. This recommendation would not necessarily improve coordination for families with subsidized slots at child care centers that contract with CDE.


19 All County Welfare Directors Letter No. 13/14-15, supra note 6. The four counties are Alameda, Los Angeles, San Mateo, and Santa Clara. Id.

20 Another option would be to analyze how counties offering certain technologies are currently paying for operations.

21 All County Information Notice No. 1-60-13, supra note 7. 22 7 C.F.R. §§ 246.26(d), (h).


24 Id.

25 Id.


27 Id.

28 Advocates note that many people eligible for WIC are categorically ineligible for CalFresh and CalWORKs. Therefore, data sharing might not generate sufficient new referrals to justify the link between ISIS and SAWS.

29 Dorothy Rosenbaum & Stacey Dean, Center on Budget and Policy Priorities, Improving the Delivery of Key Work Supports: Policy & Practice Opportunities at a Critical Moment (Feb. 2011).


32 The “SAWS 2 Plus” is the new unified paper application for CalFresh, CalWORKs, and Medi-Cal that incorporates all federally-required elements. SAWS 2 Plus currently runs 18 pages, which may deter some eligible families from receiving these important benefits. The CDSS will take additional input about the SAWS 2 Plus in spring 2014. California Department of Social Services, All County Letter Re: CalWORKs and CalFresh: Revised SAWS Application Forms, No. 13-96 (Dec. 11, 2013), available at http://www.cdss.ca.gov/lettersnotices/entinfo/acf/al2013/13-96.pdf.


34 While SAWS will have converted their systems to accept all data elements necessary for a single streamlined application by January 1, the interface between CalHEERS and SAWS will not be active until January 13, 2014, at the earliest. Department of Health Care Services, All County Welfare Directors Letter Re: Processing Health Coverage-Only Applications Received at the County January 2-12, 2014, Medi-Cal Eligibility Division Information Letter No. I-13-14 (Jan, 2, 2014), available at http://www.dhcs.ca.gov/services/medica/eligibility/Documents/MEDIL%20I13-14.pdf. Nevertheless, the initial interface between CalHEERS and SAWS is not likely to be seamless, and the legislature should facilitate necessary fixes to ensure the smooth transfer of data across these two systems.

35 If counties handling CalFresh applications do not discourage simultaneous enrollment into Medi-Cal or some kind of subsidized coverage, the CalFresh-only population in this situation might be very small.


38 CalWORKs Eligibility Handbook (2010).


41 This would likely be accomplished via a waiver from the USDA’s Food and Nutrition Service.
**Recent Horizontal Integration Legislation**

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<thead>
<tr>
<th>Legislation</th>
<th>Description</th>
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<tbody>
<tr>
<td>AB 402 (2011-12 Legis. Sess.)</td>
<td>Authorized the sharing of information provided to the school lunch program in order to determine eligibility for CalFresh</td>
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<tr>
<td>AB 174 (2011-12 Legis. Sess.)</td>
<td>Created a data-sharing agreement between CalHEERS and the EDD, which administers paid family leave, state disability insurance, and unemployment insurance</td>
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<tr>
<td>AB 422 (2013-14 Legis. Sess.)</td>
<td>Authorized the inclusion of information about health coverage in school lunch program notices</td>
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<tr>
<td>AB 191 (2013-14 Legis. Sess.)</td>
<td>Made households, up to 200% of the FPL, with at least one Medi-Cal recipient categorically eligible for CalFresh</td>
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<tr>
<td>SB 800 (2013-14 Legis. Sess.)</td>
<td>Requires DHCS to provide CalHEERS with contact information for unenrolled parents or caretakers of children who are enrolled in Healthy Families or Medi-Cal</td>
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<tr>
<td>SBX1-1 (2013-14 Legis. Sess.)</td>
<td>Permitted CDSS to apply for a waiver from CMS to use CalFresh income as a substitute for the MAGI determination for Medi-Cal enrollees</td>
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