



County of Fairfax, Virginia

MEMORANDUM

DATE: January 13, 2023

TO: Board of Supervisors

FROM: Christopher A. Leonard
Deputy County Executive *CAF*

SUBJECT: Unwinding of SNAP and Medicaid Pandemic Waivers

Pursuant to the federal Consolidated Appropriations Act of 2023, pandemic-era policy waivers to Medicaid and the Supplemental Nutrition Assistance Program (SNAP) are ending in the next several months. Medicaid processing will revert to its pre-pandemic state on April 1, 2023; and SNAP emergency policy waivers will end in February 2023. Below is a summary of the forthcoming changes. The Department of Family Services (DFS) has been working in collaboration with state partners at the Virginia Department of Social Services (VDSS) and the Department of Medical Assistance (DMAS) to prepare for the imminent changes and to create community-level awareness of the changes.

I. Public Assistance Pandemic Unwinding – Medicaid Renewals

At the onset of the COVID-19 pandemic, the federal Centers for Medicaid and Medicare Services (CMS) imposed a policy that prevented state and local social services agencies from closing Medicaid cases. The Medicaid continuous coverage requirement was enacted under the Families First Coronavirus Response Act of 2020.

Under this policy, local departments may **not** reduce or terminate coverage, with very few exceptions, during the federal Public Health Emergency (PHE). Subsequent federal PHE declarations extended this directive to ensure access to health care for low-income individuals during the pandemic. Before this policy directive, Medicaid cases were reviewed annually to determine whether recipients remained qualified based on their income, age, or disability.

Official notice has been provided by state and federal officials that the continuous coverage requirement ends March 31, 2023. Beginning April 1, 2023, the typical process to manage the Medicaid caseload resumes. The federal government, through CMS requires states to complete the renewal process for all suspended cases within 14 months from the notification or no later than June 30, 2024. States are limited to completing no more than 9% of the total number of suspended renewals in any month.

Virginia has over 525,000 suspended Medicaid renewals that must be acted on within 14 months of notification to resume. As of January 9, 2023, Fairfax's portion of this workload is 46,149 renewals; this number is expected to increase through March 31, 2023.

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Board of Supervisors
Unwinding of SNAP and Medicaid Pandemic Waivers
Page 2 of 3

CMS estimates approximately 17 percent of the Medicaid population could lose coverage once the redetermination process restarts. In Fairfax there are 184,994 Medicaid recipients; of that number approximately 31,449 are at risk of losing coverage when Medicaid reverts to original policies. There are two options for those who lose Medicaid coverage: (1) apply for health insurance through the marketplace at www.healthcare.gov; and (2) those who have no other access to health insurance will be referred by DFS to the local Federally Qualified Health Centers.

The work to complete the suspended renewals is performed by the same employees who complete the new applications and renewals for Medicaid, SNAP, and Temporary Assistance to Needy Families Cash Assistance. This suspended workload represents a significant increase in the overall workload for the public assistance staff. In addition, VDSS is projecting a large increase in appeals from individuals who are determined to be no longer eligible.

DFS continues to recruit and hire for vacancies in the Human Services Worker Series and will maximize available workplace efficiency initiatives. Additionally, DFS leadership has been working with VDSS and continues to advocate for business process changes with VDSS and DMAS to improve and enhance data systems and workflows between state and local efforts. Further, to support localities and offset the expense of increased work hours, the Governor's budget includes \$10 million for Medicaid related overtime expenses in local departments of social services, if approved.

II. SNAP Emergency Allotments

Due to the impact of the pandemic, the United States Department of Agriculture (USDA) established emergency, supplemental allotments for SNAP beneficiaries. The emergency allotments provided SNAP beneficiaries with a significant, temporary increase in their household benefit amounts; however, recent formal notification from the USDA directs the emergency allotments to end in February 2023.

Through the pandemic, not only did the benefit amount increase but so did the number of households that rely on SNAP to help purchase food. In February 2020 – without the emergency allotment – SNAP benefits totaled \$4,237,202 with 18,518 households; this was an average per-household benefit amount of \$229. In December 2022 – with the emergency allotments - SNAP benefits totaled \$14,883,311 with 27,330 households; this represents an average per-household benefit amount of \$545.

SNAP beneficiaries will have short notice from VDSS informing them of the end of the emergency allotments. DFS is currently planning and will implement a communications plan, to provide both relevant information about this change and information about other community resources to support food access. Utilizing existing collaborative networks, DFS is working with the Department of Neighborhood and Community Services (NCS) to convene and support community food providers and other social services safety-net providers to develop strategies to address community impact.

Board of Supervisors
Unwinding of SNAP and Medicaid Pandemic Waivers
Page 3 of 3

With these changes it is clear food access will continue to be a central focus of the County's safety net service efforts. As a reminder, resources through the Food Access Program (FAP), funded via the American Rescue Plan Act (ARPA), continue to be utilized. The FAP provides assistance to non-profit community-based organizations and houses of worship that operate food distribution programs in order to address this critical need. A total of \$6.0 million has been allocated for this program and is being disbursed via grants over three fiscal years (FY22/FY23/FY24). Notification of the second tranche (FY 2023) of grant funding was provided to successful organizations this month.

III. SNAP Benefits Fraud Prevention and Replacement

Nationally, there has been an increase in theft of SNAP benefits through skimming benefit card information at the point of service in grocery stores and other authorized retailers. Locally, DFS has received 112 reports of stolen SNAP benefits through skimming totaling more than \$78,000. The impacted families have been directed to NCS's Coordinated Services Planning for accessing community-level food resources to help those affected secure food. Currently, federal policy does not direct the State to replace stolen benefits. Pursuant to the provisions of the Act, the USDA is developing a plan to allow for stolen benefits to be replaced through federal funds. If a Board member is informed by a constituent of such an occurrence, please alert DFS as soon as possible.

IV. Next steps

DFS leadership and staff have been diligently preparing for the ending of the pandemic-era waivers for at least the past six months. This is not a surprise, as federal and state partners have been clear about what happens with the eventual sunset of these flexibilities. That said, with the volume of potentially impacted recipients that may see reduced or terminated food and medical coverage benefits, it is anticipated Board members may hear from constituents concerned by these changes.

The Virginia Department of Social Services is establishing a call center to answer questions from public assistance beneficiaries about changes. This information is expected from VDSS before January 23, 2023. DFS is developing a communications tool kit that will be completed and distributed once this information is known.

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