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## Adopting the Standard Medical Deduction Increased State SNAP **Enrollment and Benefits**

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**POLICY BRIEF #10** 

February 21, 2024

Center for Policy Research

# Adopting the Standard Medical Deduction Increased State SNAP Enrollment and Benefits

Yuwei Zhang, Jun Li, Dongmei Zuo, and Colleen M. Heflin

The Supplemental Nutrition Assistance Program (SNAP) is the largest food and nutrition assistance program in the United States. SNAP is a critical safety net program that helps reduce food insecurity among lowincome U.S. households. However, many eligible households do not participate in the program, including households with older adults and those with disabilities. Additionally, burdensome administrative requirements such as complex application processes and extensive verification for eligibility worsen inequity in SNAP uptake and create disproportionate barriers for disadvantaged communities with high medical expenses. 3-6

To make it easier for more older adults and people with disabilities to participate in SNAP, 21 states have adopted the Standard Medical Deduction (SMD) to simplify administrative requirements for households with older adults and people with disabilities claiming medical deductions. The SMD was designed as an alternative to the default federal medical deduction process, so that households with older adults and households with people with disabilities can verify that they incurred at least \$35 in out-of-pocket medical expenses to obtain deductions up to a state-specific deduction amount. 7 To ensure that SNAP expenditures did not increase, states had to reduce deductions elsewhere to get federal approval to adopt the SMD.

This brief summarizes findings from our recent study<sup>2</sup> that examined the associations between state SMD adoption and SNAP participation

### **KEY FINDINGS** The Supplemental Nutrition Assistance Program (SNAP) is a critical safety net program that helps reduce food insecurity among low-income households in the United States. However, many eligible households do not participate in SNAP due to burdensome administrative requirements. To make it easier for more older adults and people with disabilities to participate in SNAP, many states have adopted the Standard Medical Deduction (SMD) to simplify administrative requirements. Adoption of the SMD increased SNAP participation among eligible households by 20 percent and increased estimated annual SNAP benefits among the 21 participating states.

and benefits from 2004 to 2019. The study used national data from the SNAP Quality Control database, Characteristics of Supplemental Nutrition Assistance Program Households reports, and the American Community Survey.

# SNAP Participation and Benefits among Eligible Households Increased when States Adopted the SMD

The study found that state implementation of the SMD led to a 20 percent increase in SNAP enrollment for eligible households. Similarly, the proportion of SMD-eligible households receiving SNAP increased by 4.7 percentage points. Benefit dollars for SMD-eligible households increased by approximately 19 percent, while benefit dollars for SMD-ineligible households decreased by 3.5 percent.

# Adopting the SMD Increased SNAP Participation of Older Adults and People with Disabilities

The SMD changed the composition of the SNAP caseload. The share of SMD-eligible SNAP households with older adults (ages 60+)

and people with disabilities increased by 26 percent. These household types also had similar increases of 3.6 and 3.8 percentage points in estimated SNAP participation rates.

Additionally, the share of SMD-eligible households as a percentage of total SNAP households across U.S. states ranged from 26 percent to 70 percent in 2019 (see Figure 1). The mean and median shares across states were similar, at 49 percent and 48 percent. States with and without the SMD were also similar in their average shares of SNAP households that were eligible for the SMD at 49 percent.

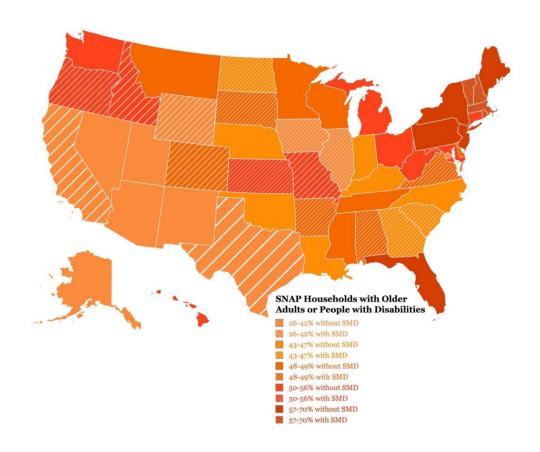


Figure 1: Share of Supplemental Nutrition Assistance Program (SNAP) Households Eligible for the Standard Medical Deduction (SMD) across States with and without the SMD in 2019

Data Source: Authors' calculations using publicly available data from the SNAP Quality Control database, 2004-19.

Note: Only income eligible households with adults ages 60 or older or people with disabilities for the SMD in states that have adopted it.

### States Should Consider Adopting SMD for Eligible Households to Help Reduce Administrative Barriers and Increase SNAP Participation

Our study demonstrates that easing medical deduction compliance requirements may be an effective approach to increasing SNAP participation among disadvantaged

populations with high medical expenses, such as older adults and those with disabilities. However, policymakers considering adopting the SMD should also account for complex and interrelated issues like implementing costneutrality requirements (e.g. reductions in exemptions for other households), that may set one disadvantaged population against another.

### **Data and Methods**

Data for each state and year are from the SNAP Quality Control database, which contains detailed information on an annual nationally representative sample of US households chosen for program integrity review in the SNAP Quality Control system. The study also used the Characteristics of Supplemental Nutrition Assistance Program Households reports (2004-19) and abstracted SNAP household counts and shares of households by household characteristics for each state and fiscal year. To calculate SNAP take-up for each household type, SNAP household counts were divided by estimated eligible population size, using American Community Survey data for 2004-19. Additional methodological details can be found in the published paper.

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