HB 7 Will Hurt Kentuckians. Here’s How:

Overall Implications of HB 7 on Housing Security

- Census Household Pulse survey data over the past 2 years and as recently as January/February indicate that 16% of households reported it was somewhat/very difficult to pay for usual expenses and 126,841 used the Supplemental Nutrition Assistance Program (SNAP) to help meet household expenses, like pay rent. Prior to the pandemic, 81% of extremely low income Kentucky renters were paying more than 50% of their monthly income in rent.

- Similar to the capacity challenges documented at CHFS/DCBS, homeless service providers are generally understaffed, have similar workforce challenges, and have been presented with unrealistic workload expectations from certain funders over the past two years. Adding barriers to helping clients access mainstream benefits will undermine the work of rehousing Kentuckians experiencing homelessness.

Medicaid and Housing Security

- The directing of the Department for Medicaid Services (DMS) to seek federal approval yet again to implement work reporting requirements will likely result in people experiencing homelessness being denied Medicaid, increase inappropriate emergency department usage, as well as hospital readmission rates.

- As the Corporation for Supportive Housing has tracked, 19 other states have either pending or approved Medicaid waivers to demonstrate the effectiveness of Medicaid-funded supportive services paired with housing vulnerable people. Currently, within the current limitations, many Community Mental Health Centers and Behavioral Health Services Organizations provide Medicaid funded services with federally-funded homeless and housing assistance. The General Assembly’s Severe Mental Illness Task Force of 2021 developed several recommendations to improve care for these Kentuckians, the first of which was to direct DMS to apply for a waiver for this population, specifically including supported housing. The Medicaid provisions of HB 7 will undermine this policy goal of linking housing and supportive services.

- A growing body of research using quasi-experimental design methods indicates that Medicaid supports housing security. Recent research on Medicaid implementation across the states indicate Medicaid coverage and housing security are linked. From a study published in Health Affairs in 2019, researchers “found a 2.9% reduction in evictions per capita associated with early expansion [of Medicaid].” Conversely, while Medicaid may positively reduce the number of evictions, evictions may disrupt and drive up Medicaid costs for federal and state governments: “[p]reventing evictions may improve access to care and lower Medicaid costs” (Eviction, Healthcare Utilization, and Disenrollment Among New York City Medicaid Patients - American Journal of Preventive Medicine).

SNAP and Housing Security

- People experiencing homelessness are entitled to expedited Supplemental Nutrition Assistance Program. Yet the massive increase in administrative tasks under HB 7 would mean that CHFS/DCBS could not process expedited SNAP in accordance with federal law and the required 10-day timeline.
• The change reporting requirement for people without fixed addresses, including those temporarily displaced by natural disasters such as flooding or tornadoes, would cause undue suspension of benefits once received. For people without regular mail or online access, reporting every minute change will lock people out of critical food and medical assistance.

• The recommendation in Section 4 directing SNAP recipients to spend at least 75% of their benefit on healthy fresh food is impractical for people experiencing housing insecurity or sleeping on the street. At least 4000 people experience literal homelessness each year, and another 12,000 homes lack a complete kitchen according to the Census. Only in ¼ of the state are rental homes required to be habitable. Fresh food requires both storage and preparation in the form of a kitchen. Farmers markets are not in every community (in the summer time there are roughly 165 open throughout the state and only 19 open in the winter), the majority do not accept SNAP, may not be accessible via public transportation, and are usually open 1 or 2 days a week at the most.

TANF and Housing Security
• If Kentucky ever finds itself in the position of having excess Temporary Assistance to Needy Family block grant funds, the state should prioritize rental assistance for families with children under “the provision of prevention services for families at risk of entering the child welfare system,” as recommended by the National Alliance to End Homelessness.

On Behalf of ALL Kentuckians, We Ask for a NO Vote on HB 7

Questions?
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