Make Connections
Create Opportunities
Grow Success
Get Started
INTRODUCTION

According to a 2016 “Poverty in the United States” trend report by Health and Human Services, poverty rates in the U.S. have decreased since President Johnson’s “war on poverty” began in the mid-1960s. The poverty rate in 1964 was at a high of 19 percent and has since dropped to 14.8 in 2014. Due to economic factors, there have been ups and downs—from 11.1 percent to 15.2 percent—but there has yet to be a sustained, downward trend in the number of Americans living in poverty.

The causal factors of poverty—including social, personal, health, political, and environmental—are largely known, even if they are not fully understood. There is no shortage of ideas about solutions. Some efforts have achieved success in reducing poverty, including the Supplemental Nutrition Assistance Program (SNAP) and Earned Income Tax Credit (EITC). However, no single program encompasses a holistic anti-poverty solution.

This year there will be an opportunity to assess programs that have historically supported low-income Americans. Many thought-leaders and advocates who focus on poverty have been looking to 2017 as the year to debate, and possibly pass, major reforms to the nation’s poverty programs. Discussions on possible changes to programs will continue over the next several years, and CareSource will continue to advocate for holistic reform to better serve individuals living in poverty.

ROADBLOCKS ON THE PATH OUT OF POVERTY

Though well-intentioned, government subsidy programs are structured to help beneficiaries maintain, not overcome, their level of poverty. In fact, the structure of the subsidy system creates significant roadblocks on the path out of poverty. There are a variety of reasons for why this happens.

Distinct government programs that largely serve the same group of people, such as SNAP, Medicaid, and Women, Infants and Children (WIC), are administered at the Federal, State, County and local levels and have varying eligibility criteria and time intervals for re-enrollment.

Impact: Maintaining eligibility across benefits requires a considerable amount of non-working time on behalf of the beneficiary, as well as considerable, often duplicative administrative time on behalf of the various agencies. This is especially true for those who cycle on and off subsidies over the course of one year. Online enrollment, where available, is helpful, but lack of computer access and mistrust of online document submissions are ongoing barriers.

Benefits
For a Three Person Household in Montgomery County, Ohio, 2017

- Childcare Assistance (100%-300%)
- SNAP (130%)
- WIC (155%)
- Medicaid - Kids (206%)
- Medicaid - Adults (138%)
- Ohio Works First*  
- Housing**

Minimum Wage ($7.25 / hour)
Federal Poverty Line ($20,420 or $9.82 / hour)
Self-Sufficiency Standard Line ($40,840 or $19.63 / hour)

$4 $6 $8 $10 $12 $14 $16 $18 $20 $22 $24 $26

100% 133% 150% 200% 250%

*50% of FLP ($13.86 / hr)
**80% of median income ($16.86 / hour for Montgomery County, Ohio). The current focus is on meeting the needs of individuals below 30% of Median Income ($7.37 / hour for Montgomery County, Ohio).
Similarly, each program addresses needs within a specific area (health, food stability, housing, etc.), although these needs are interrelated for beneficiaries. For example, it is believed that 80 percent of the impact on health is through Social and Economic Factors (2015 Advisory Board Company “Non-Clinical Factors Drive Clinical Costs”).

**Impact:** A piecemeal approach does not effectively address person-level challenges.

Most agencies are not incentivized to improve a community or an individual’s position because they can only request more money if they serve more people. Additionally, case workers may not be trained, encouraged, or even have the capacity to help beneficiaries design and implement lasting, holistic solutions to improve their lives.

**Impact:** Engagement with the system focuses on maintaining eligibility instead of creating a path forward.

For those who are employed, the cliff effect happens when a beneficiary increases their income and subsequently loses critical support services, putting them in a more precarious financial situation than they were before (See Danell’s story).

**Impact:** Beneficiaries are punished for getting ahead and may decline a promotion in order to maintain stability if no reasonable alternative exists.

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**DANELL’S STORY**

Danell, who is a single mom with a young dependent child, applied for benefits while searching for a full-time job. She was eligible for SNAP and Medicaid coverage, but not cash assistance or unemployment. In order to maintain her SNAP assistance, Danell had to provide proof that she applied for ten jobs per week. When she was unable to secure a full-time job, she accepted a $10.00/hour part-time job. Danell immediately reported her new income as required, and her SNAP assistance decreased. Danell then secured a second part-time job at $10.50/hour, at which point her SNAP assistance dropped off completely.

On top of the worry that Danell has about the repercussions of losing her SNAP benefit, she is worried that she will also lose her Medicaid coverage. After years of domestic violence, she was diagnosed with anxiety, depression and PTSD, and she takes medicine to maintain her mental health stability. She worries that if she does not have medical coverage, she cannot afford her medication. Because Danell has two part-time jobs, neither employer provides medical coverage. If she averages 40 hours/week at $10.50/hour she will keep her Medicaid coverage, but once she averages 40 hours/week at $11.00/hour, she will lose eligibility. Her other option is to apply for a plan on the Health Insurance Marketplace, but she is concerned that she will not be able to afford the cost of premiums.
A HOLISTIC APPROACH

The most dangerous phrase in the English language is ‘we’ve always done it this way.’ - Grace Hopper

In order to create a lasting change in the poverty rate in the U.S., several changes need to be made in the programs and supports that are currently in place for low-income Americans. What we currently know is that low income Americans seek support from various social service and government resources in an effort to make ends meet each month. Many of these programs are isolated from other programs and we have examples of members having as many as 6 different "case workers" all assisting the member to follow the rules of the program and maintain their status in the program. As is often the case, there is a simple solution to this very complex challenge: integrate the services provided by targeted subsidy programs. An integrated system would save administrative cost, while focusing on the interconnected needs of individuals to encourage them to create a successful, subsidy-free life. Service integration is simple in theory, but requires foundational change, and that doesn’t happen overnight.

CARESOURCE LIFE SERVICES

Knowing that integration is the key to disrupting the cycle, in 2015, CareSource created a pilot program called Life Services, which couples the largest low-income subsidy safety net, Medicaid, with a holistic approach to addressing economic well-being and social connectedness. The long-term goal is to help members to become financially, emotionally and socially secure so that they are able to live subsidy-free. This program may seem unconventional for a managed care company, but as previously noted, 80 percent of health is determined by social and economic factors. Any distinction between health and childcare, health and job stability or health and food security is arbitrary at best and obtuse at worst.

When CareSource members opt in to this voluntary program, a Life Services Life Coach utilizes a short assessment to help members identify resource strengths and prioritize what areas need to be reinforced (e.g., emotional support, food stability, childcare, physical health, etc.). By building community partnerships that look like partnerships ("provider networks") on the healthcare side, Life Services is able to convene, coordinate and secure existing community (food banks, transportation, childcare) and state and federal program (e.g., TANF, SNAP) resources for members.

Once stable, members are connected with education or employment opportunities. JobConnect is the program within Life Services that specifically assists members with increasing skills as well as connecting with long-term employment. Sometimes this can happen in as little of five days. After they have started employment, their Life Coach stays with them for a period of 24 months to help them navigate the world of work, inevitable loss of government subsidies (the "cliff"), and to help them think about what the next step is in their career path.

FROM DECEMBER 2014 TO DECEMBER 2016:

| Total members engaged and attended a Life Services event | 2,921 |
| Members have opted into the program (46%) | 1,343 |

OF THOSE WHO HAVE OPTED INTO THE PROGRAM

| 133 members are enrolled in or have completed training (9%) |
| 317 members are employed (23%) |
| 13 members have been promoted (1%) |
| 416 members referred to community partners (31%) |
| 2,664 total referrals (average of 6.4 referrals per member) |

Job retention rate at 90 days is 86%

HEALTH OUTCOMES will be explored as more data is collected. Initial utilization analysis shows a positive trend: increase in preventative care visits and a decrease in emergency department visits.
LENORA

She was struggling to provide for herself and her 25 year old son who has autism and relies on her for care. Some days she had to choose between putting food on the table and paying her electric bill. Additionally, Lenora was not taking her anxiety medication consistently, which was keeping her from maintaining a job even though she has both an MBA and a Master’s Degree in Education. In June 2015, Lenora responded to an invitation for a Life Services event and enrolled in the program, where she met her coach, Tania.

Tania helped Lenora address the barriers that existed to stable employment, namely her medical condition. Through the coaching process, Lenora stabilized her medication, and then revised her resume and began to trust in herself as she sought out teaching positions. She learned of an intervention specialist position at a local private school, and—with Tania’s support and encouragement—she applied for the job and was quickly hired. Lenora is now working with children who have mild to moderate autism and feels like she is giving back and paying it forward. She is no longer on Medicaid, is able to pay all of her bills, and has even bought and moved into a new home.
Life Services is a small-scale indicator of the large-scale potential for an integrated solution. Where other programs have failed, Life Services has succeeded. There are several takeaways that can be applied to a larger context.

*Recognize the interconnected nature of health and social needs.* Using a person-focused versus need-focused approach allows for the most efficient identification and delivery of services.

*Meet individuals where they are.* People in need are at different places in their journey—some need a helping hand to make a connection for a job, some need significant wraparound services before they can consider full-time employment. A flexible program widens the door to opportunity to welcome anyone who is willing.

*Address needs in an appropriate sequence.* If a person has acute health needs or is in an abusive situation or has no food security, a job is not the first thing they need. A triage process helps to build the foundation for lasting change.

*Build life skills that support lasting employment.* Getting a job and keeping a job are two different things. If someone is not able to navigate conflict in the workplace, they are not likely to hold a job. Soft skill development helps those who are newly employed to envision a long-term career path with advancement opportunities.

Over the last year we have enjoyed partnering with CareSource’s Life Services program. It is a great opportunity for our two companies to join together to make a lasting impact on the citizens of the communities we serve. We look forward to helping even more people get back to work and make a positive impact on their lives.

Steve Gard
Walgreens

Our team, at The Foodbank, has been using the Life Services branch of CareSource for the past year and we are very pleased with the results of our partnership. Two of our top performers were referred from CareSource. We find the support and coaching our colleagues receive to be an integral part of our mutual success and retention of good employees.

Michelle Riley
Chief Executive Officer
The Foodbank, Inc.