



Churn Hurts Clients, DHS Caseloads, and Pennsylvania's Economy

Public benefits agencies are serving more clients with fewer resources, leading to an increased focus on efficiency. Many states have responded by streamlining the application process, such as creating on-line applications or changing the business processes in local offices. These efficiencies are important but will not reduce the overall number of applications that states must process. To reduce the number of applications to be processed, states must address churn during the renewal process.

Churn happens when someone loses benefits due to a procedural issue but remains eligible for the program, and then reapplies for the same benefits shortly thereafter.

- Even when the system works perfectly and caseworkers make no errors, churn occurs due to procedural reasons (i.e. forms not returned or missed interview) or a lack of understanding of the process by the client.
- Churn creates an unnecessary increase in applications when people reapply after losing benefits, undermining the state's efforts to address the volume of applications.
- Reducing churn can position the state to use its limited resources most efficiently and improve rates of timeliness and accuracy.

ECONOMIC IMPACT OF CHURN IN PHILADELPHIA

Philadelphia Data	Number of Cases Closed/Rejected	Number of Closed/Rejected Cases that Generated an Application and were Reopened within Threshold*	Percent of Closed/Rejected Cases that Generated an Application and were Reopened within Threshold*	Estimated Monthly Cost of Churn**
SNAP monthly average (5/1/15-8/31/15)	10,002	4,145	41%	\$331,600
Medicaid monthly average (3/1/15-6/30/15)	11,200	4,333	39%	\$346,640
TANF monthly average (4/1/15-7/31/15)	1,159	695	60%	\$55,600
Annual Total	268,332	110,076	41%	\$8,806,080 (Annual Cost)

*Note: Cases were closed or rejected for failure to furnish required information or keep appointment. Threshold for re-opening cases is 30 days for SNAP, 90 days for Medical and 60 days for TANF.

**Based on calculation that SNAP initial applications cost an average of \$80 more than renewals. \$80 average assumed across all three programs.¹

Churn Negatively Affects Pennsylvania

- The state's costs to complete an application are double or triple the cost of processing a renewal.¹
- Each year, just in Philadelphia, churn is costing the state an estimated \$8,808,080.
- The Pennsylvania economy loses out on an estimated \$69 million every year due to a lapse in SNAP benefits caused by churn.
- Churn affects clients' ability to meet their basic needs, causes an increase in food insecurity, amplifies their day-to-day struggle of paying bills, and may result in forgone healthcare.
- Churn limits caseworkers' time to help families move toward self-sufficiency because they must spend more of their time processing unnecessary paperwork.
- Medicaid providers are negatively affected by churn due to missed medical appointments and lapses in treatment.
- Managed care companies must spend time and resources related to churn, such as re-enrollment of members and resubmitting medical claims.

Pennsylvania Can Reduce Churn

While procedural reasons for case closures may seem out of the state's control, an assessment of the procedural reasons and barriers faced by clients can identify ways to make the renewal process less cumbersome for clients, reducing the likelihood of procedural closures. Pennsylvania has choices to reduce churn, such as:

- Eliminating unnecessary verifications;
- Improving notices to clients to reduce confusion;
- Optimizing electronic verifications in order to reduce documents required from clients;
- Improving or streamlining the SNAP interview process;
- Using the National Change of Address Database to capture clients' new addresses; and
- Aiming for same-day eligibility decisions.

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¹ Understanding the Rates, Causes, and Costs of Churning in the Supplemental Nutrition Assistance Program, USDA (November 2014)