Statement of

Pamela Loprest *

Senior Fellow, Urban Institute

before the

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Committee on General Welfare

“Process of Applying for Assistance” Proposed Int. No 855-A

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* The views expressed are my own and should not be attributed to the Urban Institute, its trustees, or its funders.
Honorable Council Members:

Thank you for the opportunity to testify today about New York City’s automatic benefits legislation. My name is Pamela Loprest, and I am an economist and senior fellow at the Urban Institute, a nonprofit economic and social policy research institute in Washington, DC. I have more than 25 years of experience researching ways to improve economic opportunities and well-being of low-income individuals and families. My testimony today draws on intensive work with six states on improving the well-being of working families while improving program efficiency through improvements in benefit access. This project, called the Work Support Strategies (WSS) project, is a collaboration of the Urban Institute, the Center on Law and Social Policy and the Center for Budget and Policy Priorities (CBPP) funded by the Ford Foundation. I also draw on related work by my colleagues for states and localities across the country focusing on benefit integration and implementation of the Affordable Care Act. In this testimony, I will discuss the following points:

1. Receipt of public benefits improves individual and family well-being
2. Many people eligible for public benefits are not receiving them
3. Many states and localities have reached more eligibles by using information on their receipt of other public benefits
4. Providing information and reducing the burden of application can increase access

**Receipt of public benefits improves individual and family well-being**

Most public benefit programs target a specific need, such as food, medical care, energy, housing, or child care assistance. Because many low-income people and families have multiple needs, receipt of all supports for which they qualify can help stabilize their lives, promote work, and improve the health and well-being of their children. In New York, state and federal safety net programs lift an estimated 3.1 million New Yorkers out of poverty each year (CBPP 2016). Research suggests that working families who get and keep core public benefit programs (medical, nutrition and child care assistance) are better able to stabilize their lives, advance their careers, and raise their children (Mills, Compton, and Golden 2011). In addition, children who experience less time in poverty have higher academic achievement, employment, and lower likelihood of teen childbearing (Ratcliffe 2015).

**Many people are eligible for multiple public benefits, and many eligible for public benefits are not receiving them**

Accessing public programs can be difficult or confusing. Many eligible families do not receive assistance because of barriers that include lack of information about eligibility and complicated, burdensome, and confusing processes for applying or renewing. In New York in 2014,1 86 percent of people eligible for the Supplemental Nutrition Assistance Program (SNAP) received these benefits, and 77 percent of eligible working poor people received SNAP (Cunnyngham 2017). A much higher percentage of eligible children in New York (96 percent in 2015) receive health

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1 Numbers cited are for New York State. We do not have estimates for New York City. Also, all estimates are for the most recent available data year.
coverage through Medicaid or the Children’s Health Insurance Program (CHIP), partly because of outreach efforts, although only 88 percent of eligible parents ages 19 to 64 receive coverage (Kenney et al. 2017).

In addition, many individuals are eligible for multiple public benefit programs. Estimates suggest that nationwide, 85 to 97 percent of people eligible for human service programs—including TANF, SNAP, WIC, LIHEAP, child care subsidies, and housing subsidies—are also eligible for health coverage under the ACA, including through the Medicaid expansion (Dorn et al. 2015). In New York, significant numbers of people are eligible for both SNAP and Medicaid/CHIP. In 2013, 1.5 million children and 1.9 million nonelderly adults in New York were eligible for both benefits (Wheaton, Lynch, and Johnson 2016). Unfortunately, we do not have numbers for New York on how many people eligible for multiple programs participate in multiple programs. As part of our WSS study, we found participation in SNAP and Medicaid/CHIP among children and nonelderly adults who were eligible for both benefits was 78 percent in Illinois and 69 percent in North Carolina in 2013 (Loprest, Lynch, and Wheaton 2016). These estimates suggest there is room for increasing program participation.

Many states and localities have successfully increased program benefit participation by using information on current receipt of other public benefits and other forms of program integration

Many states and organizations have put forth considerable effort to increase access to benefit programs through different program integrations, ranging from changes to policy to technology to administrative procedures (Dorn 2015; Hahn 2016). And, many states have taken advantage of the opportunities for integration provided through the ACA. Some of the most successful efforts use information from recipients of one program to determine eligibility or renewal for another program. These efforts include Express Lane Eligibility in Louisiana and South Carolina, which uses information on SNAP determination to automatically enroll children in Medicaid. Louisiana and South Carolina also use SNAP receipt information to automatically renew that coverage, saving $1 million and $1.6 million in administrative costs for manual renewals (Dorn 2015). Many states coordinate SNAP and Medicaid renewals by using available program data. Another example is the Combined Application Projects (CAP) which used information in Supplemental Security income (SSI) program applications to determine SNAP eligibility for seniors and those with disabilities. This program has shown some success. From 2000 to 2008, CAP states experienced a 48 percent increase in SNAP participation levels among one-person SSI households while such households’ enrollment in other states saw little change (Dorn 2015).

Providing information and reducing the burden of application can increase access

Many states have tried to increase take-up of benefits by providing information about other public benefits to those applying to or seeking information about a program. For example, most states have some form of online eligibility screener that helps users assess potential eligibility for public benefit programs, and it sometimes assesses eligibility for multiple programs. Some of these screening tools connect potentially eligible individuals to information on how to apply or, in some cases, allow for online application. There is little evidence about whether these efforts increase eventual benefit application or receipt. Efforts that involve providing in-person application assistance have shown some success in increasing participation. One example is an experiment where H&R Block tax preparers helped complete and submit SNAP applications for low-income clients. In this case, 80 percent more applications were filed than among a control group that only received SNAP information and a blank application.
(Whitmore Schanzenbach 2009). However, when the providers filled out the application and gave it to clients with information on how to file, there was no significant increase in applications filed relative to the control group. A growing body of research in behavioral economics has shown that small changes can make it easier for people to act and make decisions that support their goals. The Behavioral Interventions to Advance Self-Sufficiency (BIAS) project, launched in 2010, showed that making small changes in human services programs, such as providing clearer notices, reducing steps in processes and personalizing outreach had positive impacts on outcomes such as benefit receipt (Richburg-Hayes et al. 2017). While none of these changes are exactly the same as proposed here, they provide some evidence that a smaller change could potentially impact benefit receipt.

Every effort to reduce the burden of applying for benefits has the potential to increase applications. The proposal in front of the Council could reduce application burden and increase access to public benefits in the following ways:

1. It informs those applying for or receiving public assistance about other programs for which the department has determined they may be eligible. This is more than just information about programs, it is information from an official source (the agency responsible for administering the benefits) that they may be eligible.
2. It provides information on how to apply and applications.
3. It mandates pre-filling relevant information from other programs into the application.

Evidence such as the H&R Block experiment suggests there is a continuum of impact on increased applications related to how much an intervention reduces burden for applicants. Automatic benefit determination using existing program eligibility is one end of the spectrum. This proposal provides information and some reduction in burden to applicants and recipients of public benefits. Whether it is worthwhile largely depends on the cost to implement for the department relative to the eventual increase in benefit access. One possibility is to first implement the proposal in programs with the largest numbers of eligible nonparticipants or to target population groups within programs that have higher rates of nonparticipation (such as working parents for SNAP or nonelderly nonparents for Medicaid). If the council decides to move forward with the proposal, it is important to track the applications made by individuals receiving this information to assess the level of impact.

References


