

June 21, 2019

Mick Mulvaney  
Director  
Office of Management and Budget  
725 17th St NW, Washington, DC 20503

Nancy Potok  
Chief Statistician  
Office of Management and Budget  
725 17th St NW, Washington, DC 20503

**Re: Request for Comment on the Consumer Inflation Measures Produced by Federal Statistical Agencies**

Dear Director Mulvaney and Ms. Potok,

The undersigned organizations appreciate the opportunity to provide feedback to the Office of Management and Budget (OMB) notice for comment on consumer inflation measures. In particular, we would like to express our collective concern with revising methodology for adjusting the official poverty measure (OPM) or poverty thresholds.

Our organizations together represent millions of patients, caregivers and families coping with serious illness nationwide and advocate for policies that preserve and expand equitable access to affordable, quality health care. We understand that OMB is not seeking comment on the poverty guidelines which are based on the previous year's poverty thresholds; however, we fear that proposed changes to the poverty thresholds will have harmful downstream effects on the health and well-being of patients and families relying on safety net programs and financial assistance as their lifeline.

OPM is based on outdated calculations that fail to accurately reflect people's financial resources or liabilities. Proposals that lower the OPM further would create additional uncertainties about individuals living in poverty that can be detrimental to their well-being. We are specifically concerned that over time fewer low-income patients will qualify for essential programs such as Medicaid, the Children's Health Insurance Program (CHIP) and nutrition assistance they need to prevent or treat debilitating health conditions. Moreover, fewer middle-income patients will qualify for Affordable Care Act (ACA) premium tax credits and cost sharing reductions that help them afford health care costs.

**Lower poverty thresholds perpetuate the health-poverty trap**

Income influences health and longevity across clinical, behavioral, social and environmental domains, and income disparities are continuing to increase.<sup>1</sup> Evidence demonstrates clearly that poor health status contributes to lower income,<sup>2</sup> which in turn can drive difficulties experienced as a negative "health poverty trap" feedback loop. Safety net supports and services guard against this trap, helping

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<sup>1</sup> Health, Income, And Poverty: Where We Are And What Could Help. *Health Affairs* Health Policy Brief, October 4, 2018. Available at: [https://www.healthaffairs.org/doi/10.1377/hpb20180817.901935/full/HPB\\_2017\\_RWJF\\_05\\_W.pdf](https://www.healthaffairs.org/doi/10.1377/hpb20180817.901935/full/HPB_2017_RWJF_05_W.pdf)

<sup>2</sup> Bor J, Cohen GH, Galea S. Population health in an era of rising income inequality: USA, 1980-2015. *Lancet*. April 2017;389:P1475-1490.

preserve patient and family financial stability that can improve adherence to recommended treatments and ability to work.

Our organizations often hear from patients who must rely on these safety net services and supports in confronting significant health and functional challenges that may limit their ability to work. Proposals that lower the federal poverty threshold will cause further distressing health and financial hardships for the thousands of people already struggling with their own or a loved one's medical condition and will also increase the instance of poverty across the country.

### **Seniors are particularly at risk for living in poverty and could receive less financial assistance**

Based on OPM, almost five million seniors over age 65 were living in poverty in 2017. This number rises to over seven million under a more accurate alternative, the supplemental poverty measure (SPM), which accounts for other financial obligations such as out-of-pocket medical spending.<sup>3</sup> Seniors and people with disabilities may face higher medical expenses due to their health conditions, putting them at risk for greater financial distress.

Fortunately, some lower-income Medicare beneficiaries may qualify for the low-income subsidy (LIS) program based on federal poverty thresholds. In 2019, roughly three in ten Medicare Part D enrollees receive premium and cost-sharing assistance through this program. But the share of enrollees receiving these subsidies have declined over time.<sup>4</sup> We are concerned that changes to the federal poverty thresholds may also impact Medicare beneficiaries' ability to qualify for LIS and create additional financial hurdles to affording and accessing medications needed to effectively treat their conditions.

### **Conclusion**

We believe any potential changes to poverty thresholds are counterproductive to reforms led by the Department of Health and Human Services (HHS) and Congress focused on lowering health care costs and improving affordability for patients. We urge OMB to consider the scope of potential impacts to patients and families and reject any changes to the calculation of official poverty thresholds that may create new financial burdens or restrict access to health care.

Before OMB takes additional steps to change the calculation for OPM, we urge the agency to conduct and make public a comprehensive analysis of potential implications on all patient populations that would likely be affected including people who rely on Medicaid, CHIP, nutrition assistance, Medicare Part D LIS program, people purchasing health insurance in the ACA market, state level health programs and other safety net supports and services. We also ask that OMB provide ample time for national, state and local organizations to evaluate OMB's findings and provide comments specific to their unique patient populations.

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<sup>3</sup> Kaiser Family Foundation. How many seniors live in poverty? Issue Brief November 2018. Available at: <https://www.kff.org/medicare/issue-brief/how-many-seniors-live-in-poverty/>

<sup>4</sup> Kaiser Family Foundation. 10 things to know about Medicare Part D coverage and costs in 2019. Issue Brief. June 2019. Available at: <https://www.kff.org/medicare/issue-brief/10-things-to-know-about-medicare-part-d-coverage-and-costs-in-2019/>

We stand ready to assist OMB's deliberations by providing patient, caregiver and family perspectives throughout discussions about the poverty thresholds and their impact on financial and safety net programs. Please contact Nicole Braccio, policy director for National Patient Advocate Foundation, at [Nicole.Braccio@npaf.org](mailto:Nicole.Braccio@npaf.org) if we can provide further details or assistance.

Respectfully submitted,

National Patient Advocate Foundation  
Alliance for Aging Research  
American Muslim Health Professionals  
Behavioral Health Association of Providers  
Center for Independence of the Disabled, NY  
Children's Home Society of America  
Chinese-American Planning Council  
Coalition for Asian American Children and Families  
Coalition for Disability Health Equity  
Consumer Health First  
Cutaneous Lymphoma Foundation  
Epilepsy Foundation  
Go2 Foundation for Lung Cancer  
Hypertrophic Cardiomyopathy Association  
Illinois Association for Behavioral Health  
Impetus - Let's Get Started LLC  
Khmer Health Advocates Inc.  
Korean Community Services of Metropolitan NY  
League of Women Voters of the United States  
LUNGeivity Foundation  
Mended Hearts  
Mended Little Hearts  
National Alliance on Mental Illness  
National Black Gay Men's Advocacy Coalition  
National Council of Jewish Women  
National LGBTQ Task Force  
National Urban League  
National Viral Hepatitis Roundtable  
National Women's Health Network  
NETWORK Lobby for Catholic Social Justice  
Prevent Cancer Foundation  
Retire Safe  
Sakhi for South Asian Women  
San Francisco AIDS Foundation  
School-Based Health Alliance  
The AIDS Institute  
The Latino Health Insurance Program, Inc.  
Wisconsin Alliance for Women's Health  
Young Invincibles  
YWCA of Queens