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June 21, 2019

Russell Vought
Acting Director
Office of Management and Budget

Nancy Potok
Chief Statistician
Office of Management and Budget

Re: OMB-2019-0002, Request for Comment on the Consumer Inflation Measures Produced by the Federal Statistical Agencies

Dear Acting Director Vought and Ms. Potok:

The undersigned organizations represent millions of patients and consumers across the country facing serious, acute, and chronic health care conditions and write to express our grave concerns about steps taken by the Office of Management and Budget (OMB) to potentially change the index for the calculation of inflation for the federal poverty line.

Our organizations have a unique perspective on what individuals and families need to prevent disease, cure illness, and manage chronic health conditions. For many of the people we represent, their

diagnoses are completely life-altering, sometimes requiring hours a day of treatment or resulting in disability that challenges the ability of individuals to pursue an education or to work steadily. As a result, these Americans often rely on assistance programs for access to health care and to address food and income insecurity. For that reason, we urge OMB to utilize the collective insight and experience our patients and organizations offer and refrain from changes that would impact the ability of individuals to access critical safety net programs.

Lowering the poverty measure would make it less accurate

The current Official Poverty Measure (OPM) is based on an old formula that already does not fully capture those living in poverty and does not accurately reflect basic household expenses for families, including by underestimating child care and housing expenses.¹ The proposed changes to the inflation calculation would reduce the annual adjustments to the poverty measure and therefore may exacerbate existing weaknesses, putting vulnerable Americans—including those with serious and chronic diseases—at great risk. Further lowering the poverty line would also give policymakers and the public less credible information about the number and characteristics of Americans living in poverty.

Changing the inflation index requires substantial analysis on the impact on program eligibility

In introducing indexes that might be considered for future inflation adjustments, OMB stresses its role in efficient coordination of federal statistics. In order to ensure that accurate and up-to-date statistics are used throughout federal programs, changes in the inflation adjustment should only be considered after OMB has more carefully analyzed the effects of the change and sought public comments on its analysis.

Because the Request for Comment specifically did not solicit feedback on how the change in calculation would impact the Department of Health and Human Services (HHS) poverty guidelines and program eligibility, we are not submitting comprehensive comments on that issue. However, were OMB to consider moving forward with a change to the poverty line that would impact the HHS guidelines, it would be imperative to first undertake in-depth research and analysis, and solicit public comments, regarding issues such as:

- The of the impact of new methods for updating the poverty line on the calculation of the Medicare Part D low-income subsidy (LIS) and how people with serious chronic illnesses would be affected by LIS changes;
- The effects of changes in Medicaid and the Children’s Health Insurance Program (CHIP) eligibility standards on Americans with chronic diseases and other vulnerable populations such as pregnant women;
- The effects of Medicaid and CHIP eligibility changes on health care providers, including hospitals, physicians, community health centers, and others, due to an increase in the uninsured population and the volume of uncompensated care;
- The implications of poverty line changes for Affordable Care Act premium tax credits and cost sharing reductions, including the number of Americans who will receive reduced tax credits and the amount of the reductions;
- The impact of such a change on state-level health programs (and the patients they serve) that rely on the poverty line to determine eligibility; and
- The impact of poverty threshold changes on nutritional programs, which are critically important to those with chronic diseases who may have special nutritional needs and, therefore, a significant reliance on nutritional assistance.

¹ National Research Council 1995. *Measuring Poverty: A New Approach*. Washington, DC: The National Academies Press.

In considering the potential effects of utilizing a new index for establishing poverty guidelines, OMB must consider not just the immediate effects but must also the effects over two years, five years, and ten years. The cumulative impact of such a change may seriously disrupt access to health care for people dealing with serious and chronic illnesses. We urge that no changes be made in the statistical index used in federal programs at least until the potential effects, including over ten years, are analyzed and presented for public comment.

We appreciate the opportunity to comment.

Sincerely,

Alpha-1 Foundation
American Cancer Society Cancer Action Network
American Heart Association
American Kidney Fund
American Liver Foundation
American Lung Association
Arthritis Foundation
Cystic Fibrosis Foundation
Epilepsy Foundation
Hemophilia Federation of American
Leukemia & Lymphoma Society
Lutheran Services in America
March of Dimes
Mended Hearts
Mended Little Hearts
Muscular Dystrophy Association
National Alliance on Mental Illness
National Coalition for Cancer Survivorship
National Hemophilia Foundation
National Multiple Sclerosis Society
National Organization for Rare Disorders
National Patient Advocate Foundation
Pulmonary Hypertension Association
Susan G. Komen
United Way Worldwide
WomenHeart: The National Coalition for Women with Heart Disease