

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OPM is based on outdated calculations that fail to accurately reflect people's financial resources or liabilities.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.¹ Evidence demonstrates clearly that poor health status contributes to lower income,² 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

¹ 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

² 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.³ 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.⁴ 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.

³ 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/>

⁴ 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 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