



AMERICAN PUBLIC HEALTH ASSOCIATION

For science. For action. For health.

June 21, 2019

The Honorable Nancy Potok
Chief Statistician
Office of Management and Budget
725 17th St. NW
Washington, DC 20006

Dear Dr. Potok:

On behalf of the American Public Health Association, a diverse community of public health professionals that champions the health of all people and communities, I appreciate the opportunity to comment on the Office of Management and Budget's notice regarding differences among various consumer price indexes and their influence on the estimation of the Official Poverty Measure. The OMB notice contemplates lowering the poverty line by applying a smaller cost-of-living adjustment each year, using either the chained CPI or the Personal Consumption Expenditures Price Index in place of the CPI-U. We strongly urge you to reject this change. The OMB notice focuses on just one of many questions about the current poverty line – how it is updated for inflation – while ignoring the many other important issues that would need to be considered and analyzed to construct a more accurate measure. Prior to moving forward with any changes, OMB should undertake a serious analysis of each of these issues, publish its findings, and solicit public comment.

There is significant evidence to demonstrate that income directly influences health status and health outcomes. A 2016 study found that between 2001 and 2014, men in the top 1% of the income distribution in the U.S. live 15 years longer than those in the bottom 1%, and for women the difference is about 10 years.¹ Furthermore, income inequality in the U.S. is increasing at an alarming rate, and data from the Centers for Disease Control and Prevention show that life expectancy declined for the third year in a row in 2017.² As an organization dedicated to improving the health of the public and achieving equity in health status, we are concerned that the factors under consideration, as outlined in the OMB notice, fail to consider other significant problems with the current poverty line.

The poverty line is already below what is needed financially to provide for a family, as shown by the high rates of hardship among families with incomes just above the poverty line.

- Among non-elderly adults with income between the poverty line and twice the poverty line, over 60% reported one or more material hardships such as food insecurity, missed payments for utility bills or rent or mortgage, or problems paying family medical bills,

¹ Raj Chetty, et al. "The Association Between Income and Life Expectancy in the United States, 2001-2014." *Jama*, 315(16), 1750. doi:10.1001/jama.2016.4226

² Murphy, Sherry, Jiaquan Xu., Kenneth Kochanek, and Elizabeth Arias, "Mortality in the United States, 2017," (Hyattsville, MD: National Center for Health Statistics, 2018)

according to a 2017 Urban Institute survey — a financial position not significantly different than for those in poverty.³

- USDA data for 2017 showed that, among near-poor households with children in 2017 with income between 1 and 1.3 times the poverty line, 29% couldn't consistently afford adequate food, compared with 40% of those below the poverty line.⁴

The prevalence of material hardship among families just above the poverty line suggests that the families whom the proposed change would define as no longer poor – namely, those just below the poverty line – do not have sufficient income to make ends meet.

The poverty line determines eligibility for a wide array of federal public assistance programs including parts of Medicaid and Medicare and the Children's Health Insurance Program, the Supplemental Nutrition Assistance Program, Head Start, the Supplemental Nutrition Program for Women, Infants, and Children, the National School Lunch Program and the School Breakfast Program. Because OMB said it would not be seeking comment on how changing the official poverty line would impact the U.S. Department of Health and Human Services poverty guidelines and program eligibility, we are not submitting comments on that issue. However, were you 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 impact on health insurance coverage and access to health care.** After 10 years of updating the poverty line using the chained CPI, millions of people would lose eligibility for or receive less help from health coverage programs including Medicaid, CHIP, Medicare Savings Programs, the Medicare Part D Low-Income Subsidy program, premium tax credits and cost sharing reductions.⁵ OMB should quantify these impacts and analyze how cuts to these programs would affect uninsured rates, access to care, financial security, and health outcomes for lower-income people, seniors, and people with disabilities.
- **The impact on nutrition programs and food insecurity.** Updating the poverty line using the chained CPI would cause people to lose eligibility for SNAP, school meals, and WIC. OMB should quantify these impacts and analyze how the cuts to these programs would impact food insecurity and overall financial security for those affected.
- **The impact on other basic assistance programs.** Updating the poverty line using the chained CPI would also lower eligibility thresholds for many other federal programs, and could have ramifications for state-funded programs as well. OMB should identify the full list of these programs and analyze the impacts on beneficiaries.

³ Michael Karpman, Stephen Zuckerman, and Dulce Gonzalez, "Material Hardship among Nonelderly Adults and Their Families in 2017," (Washington, D.C.: Urban Institute, 2018)

⁴ Alisha Coleman-Jensen, Matthew P. Rabbitt, Christian A. Gregory, and Anita Singh, "Household Food Security in the United States in 2017," U.S. Department of Agriculture, 2018, and CBPP calculations.

⁵ Aviva Aron-Dine and Matt Broaddus, "Poverty Line Proposal Would Cut Medicaid, Medicare, and Premium Tax Credits, Causing Millions to Lose or See Reduced Benefits Over Time," (Washington, D.C.: The Center on Budget and Policy Priorities, 2019).

Public assistance programs support our nation's most vulnerable populations to access resources that encourage positive health behaviors, economic mobility and self-sufficiency. For example, in 2015, SNAP helped 8.4 million people out of poverty, reducing the poverty rate by 17 percent.⁶ Similar results can be found in Medicaid populations. A recent report from the Kaiser Family Foundation shows that increasing access to Medicaid improved utilization of health care services, improved self-reported health and improved financial security among low-income populations.⁷ As previously noted, using the chained CPI would cause millions to lose access to these critical programs.

We again reiterate that before considering moving forward to changing the Census poverty thresholds that would impact the poverty guidelines, OMB should undertake in-depth, quantitative analysis of all of these issues, including research on how the impacts would grow over time. It should publish its findings and give the public an opportunity to comment on whether a change should be made in light of the likely consequences for uninsured rates, food insecurity, and other forms of hardship.

We appreciate the opportunity to provide our public health expertise on this important matter. We stand ready to be a resource as the Administration considers proposals that reexamine poverty guidelines that determine eligibility criterion for a number of public benefits programs, all of which are critical to the strength of our nation's public health system. If you have any questions regarding our comments please contact Gaby Witte, Senior Manager of Government Relations, at gabriella.witte@apha.org.

Sincerely,



Georges C. Benjamin, MD
Executive Director

⁶ Wheaton, Laura and Victoria Tran, "The Antipoverty Effects of the Supplemental Nutrition Assistance Program," (Washington, D.C.: The Urban Institute, 2018).

⁷ Antonisse, Larisa, Rachel Garfield, Robin Rudowitz, and Samantha Artiga, "The Effects of Medicaid Expansion under the ACA: Updated Findings from a Literature Review," (Washington, D.C.: Kaiser Family Foundation, 2018).