



June 21, 2019

Chief Statistician Nancy Potok
Office of Management and Budget
9257 New Executive Office Building
725 17th St.
NW, Washington, DC 20006,

Submitted via regulations.gov

**RE: Request for Comment on the Consumer Inflation Measures
Produced by Federal Statistical Agencies
Directive No. 14
OMB-2019-0002**

Dear Ms. Potok:

Ohio Consumers for Health Coverage (OCHC) respectfully submits the following comments to the Office of Management and Budget (OMB) in response to the proposed **Request for Comment on the Consumer Inflation Measures Produced by Federal Statistical Agencies**, posted on May 7, 2019.

OCHC is a coalition of over 20 organizations, both statewide and local, that has worked since 2007 to unite the consumer voice with the goal of achieving affordable, high quality health care for all. Its organizational membership is diverse, representing both those with illness and those in good health, both insured and uninsured, those with resources, and those of limited means.

OCHC is extremely concerned by the idea of updating the Census Bureau's poverty thresholds from the current Consumer Price Index (CPI-U) to either the chained CPI or the Personal Consumption Expenditures Price Index. For the millions of low-income people, this change will be far-reaching and devastating because these indexes fail to account for the full costs of a family's needs. **Redefining poverty using indexes which fail to account for needs such as housing, childcare and other unavoidable expenses of living in today's society, does nothing to eliminate, or lessen, poverty.**

The poverty line is meant to equal the level of income that a family needs to afford the basics. It is already far below what is needed to raise a family. Low-income individuals and families are already getting by on too little, and the proposed, alternative indexes will only worsen their situations.

Below is a more detailed explanation of our concerns:

1. The Alternative Indexes Fail to Account for the Realities of Low-Income Families' Purchasing Options

This proposed change wrongly assumes that chained CPI or the Personal Consumption Expenditures Price Index will be more accurate measures of poverty because they eliminate a substitution bias (i.e., the idea that as the prices of goods rise, individuals *will* substitute less expensive items, thereby reducing their overall expenses). However, low-income people and families *do not* substitute purchases in the same way that families with more financial resources do. Simply put, low-income families do not have that kind of flexibility, and tend to experience more inflation in the goods they purchase than households with higher incomes.¹

For example, many low-income communities in the United States lack stores that sell healthy and affordable food. These communities, better known as “food deserts”, leave low-income families without choices when it comes to product substitution.² Instead, people living in food deserts resort to buying the food or products that happen to be on the shelves of their corner mini-mart or convenience store, irrespective of the mark-up costs. These stores sell processed and sugar- and fat-laden foods rather than fresh fruits, vegetables and other healthy foods. In Ohio, more than 2 million Ohioans, including more than half a million children, live in lower-income neighborhoods that are underserved by supermarkets.³

To use an index which fails to take into account this and other realities will worsen the situation for low-income families.

¹ Research suggests that costs may rise more rapidly for low-income households than for the population as a whole. They pay a greater percentage of their income for housing and utilities, for instance. Over the nine years from the third quarter of 2004 through the third quarter of 2013, average inflation accumulated to 33% for households with incomes below \$20,000 but to just 25% for households with incomes above \$100,000. See, for example, Journal of Monetary Economics. *Inflation at the household level*. (Kaplan, 2017), available at: https://gregkaplan.uchicago.edu/sites/gregkaplan.uchicago.edu/files/uploads/kaplan_schulhoferwohl_jme_2017.pdf. Because low-income households experience more inflation in the goods they purchase than households with higher incomes, and do not have as much opportunity to switch to less expensive items, neither the Chained CPI nor the Personal Consumption Expenditures Price Index are appropriate means of calculating the poverty line.

² See, for example, United States Department of Agriculture: Economic Research Service. *Mapping Food Deserts in the United States* (Dec. 2011), available at: <https://www.ers.usda.gov/amber-waves/2011/december/data-feature-mapping-food-deserts-in-the-us/>

³ See, Center for Health Affairs. *Food Deserts and Food Swamps* (June 2015), available at: <https://neohospitals.org/~media/CHA/Files/.../June-2015-Policy-Snapshot.ashx>.

2. The Request for Comment Lacks Requisite Supporting Analysis

OCHC is also extremely concerned that this Request for Comment includes no analysis from the Census Bureau on how using another measure of inflation will affect the accuracy of the official poverty measure (OPM), better known as the poverty threshold.

The poverty threshold's accuracy is critical to ensuring families in need of assistance are getting it. The HHS poverty guidelines, for example, are based on the poverty threshold—and the HHS guidelines are used to determine eligibility and benefits for numerous federal, state and local government programs.

This Request for Comment does not include research or analysis on the impact of changing the thresholds on vulnerable persons who participate in these programs, such as active duty and veteran service members, the elderly, single parents, people of color, and people with disabilities. The OBM needs to understand and explain, for example, the number of individuals who would lose Medicaid, CHIP, and marketplace subsidies, as well as the number of seniors and people with disabilities who would lose or receive less help from Medicare's Part D Low-Income Subsidy. It will also be important to understand the impact of this change on access to federal nutrition programs, including SNAP, WIC, and free school meals, as well as the provision of legal assistance to low-income families.

This analysis must be conducted in partnership with all of the federal agencies administering the programs, and it must solicit public comments through formal rulemaking. The onus should be on the federal government to conduct these kinds of extensive analyses before suggesting a policy change that would harm large numbers of people. This Request for Comment includes no analysis, discussion or impact—and in fact explicitly states that “OMB is not currently seeking comment on the poverty guidelines or their application.”

3. The Alternatives Indexes Rise More Slowly than the CPI which will Cause More People to Fall Above Income-Eligibility Cutoffs for Needed Programs.

One of the weaknesses of switching to the chained CPI or the Personal Consumption Expenditures Price Index is that both alternatives rise more slowly than the current measure.⁴ Relying on either of these indexes, over time, will create a lower poverty line further out of step with a family's needs. People who would be most adversely affected by this change include children, single mothers, people of color, people with disabilities, and low-income retirees.

The HHS poverty guidelines, or percentage multiples of them (such as 125 percent, 150 percent, 185 percent, or 200 percent), are used as eligibility criterion by many state and federal programs. Because the HHS guidelines are based on the previous year's poverty thresholds and this proposal seeks to change the way the poverty thresholds are adjusted for inflation, this proposal, if implemented, will shrink the HHS guidelines over time so that more people would fall above the income-eligibility cutoffs. The formula is straightforward: if the thresholds grow more slowly

⁴ See, United States Department of Labor: Bureau of Labor Statistics. *Table 5. Chained Consumer Price Index for All Urban Consumers (C-CPI-U) and the Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, all items index* (May 2019), available at: <https://www.bls.gov/news.release/cpi.t05.htm>.

because of a change in the adjustment for inflation (as would occur with the chained CPI, for example), people will lose some or all assistance from programs they otherwise would have qualified for. People who fall above the cut-off will be forced to forego programs built to improve their health, well-being, education, and financial stability.

The following is a list of programs for which eligibility and/or benefits are determined at least in part through the use of the official poverty measure and which would be impacted by the proposed change:

- Department of Health and Human Services:⁵
 - Community Services Block Grant
 - Head Start
 - Low-Income Home Energy Assistance Program (LIHEAP)
 - PARTS of Medicaid (31% of eligible individuals in Fiscal Year 2004)
 - Hill-Burton Uncompensated Services Program
 - AIDS Drug Assistance Program
 - Children's Health Insurance Program
 - Medicare – Prescription Drug Coverage (subsidized portion only)
 - Community Health Centers
 - Migrant Health Centers
 - Family Planning Services
 - Health Professions Student Loans — Loans for Disadvantaged Students
 - Health Careers Opportunity Program
 - Scholarships for Health Professions Students from Disadvantaged Backgrounds
 - Job Opportunities for Low-Income Individuals
 - Assets for Independence Demonstration Program
 - Breast/Cervical Cancer Early Detection
 - Maternal and Child Health Block Grant
- Department of Education:
 - Federal TRIO Program
 - College Access Challenge Grants
 - Preschool Development Grants
- Department of Agriculture:
 - Supplemental Nutrition Assistance Program (SNAP) (formerly Food Stamp Program)
 - Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
 - National School Lunch Program (for free and reduced-price meals only)
 - School Breakfast Program (for free and reduced-price meals only)
 - Child and Adult Care Food Program (for free and reduced-price meals only)
 - Expanded Food and Nutrition Education Program
 - Summer Food Service Program
 - Commodity Supplemental Food Program

⁵ See, U.S. Department of Health & Human Services. *What programs use the poverty guidelines?*, available at: <https://www.hhs.gov/answers/hhs-administrative/what-programs-use-the-poverty-guidelines/index.html>.

- Food Distribution Program for American Indians
- Nutrition Program for the Elderly
- Department of Energy:
 - Weatherization Assistance for Low-Income Persons
- Department of Labor:
 - Job Corps
 - National Farmworker Jobs Program
 - Senior Community Service Employment Program
 - Workforce Investment Act Youth Activities
- Department of the Treasury:
 - Low-Income Taxpayer Clinics
- Corporation for National and Community Service:
 - Foster Grandparent Program
 - Senior Companion Program
- Legal Services Corporation:
 - Legal Services for the Poor
- Active-Duty and Veteran's Services

For purposes of this opportunity to comment, OCHC will explain a few of the above programs in more detail below. OCHC strongly encourages the OBM to carefully consider how its proposed change will impact *each* program prior to switching to an alternative inflation index.

A. Head Start

Children from birth to age five who are from families with incomes below the poverty guidelines are eligible for Early Head Start and Head Start services. Head Start promotes school readiness for children by offering educational, nutritional, health, and social services, including assistance with obtaining health insurance, services for children with disabilities, adequate housing, job training, and other services. The data associated with these programs speaks for itself:⁶

- Head Start programs cumulatively served 1,050,000 children ages birth to 5 and pregnant women throughout the 2017–2018 program year.
- 82 percent of children in Head Start, and 81 percent of children in Early Head Start, live in families below the poverty line.
- Among pregnant women enrolled in EHS, approximately 87 percent received prenatal education on fetal development and 22 percent had medically high-risk pregnancies.
- Approximately 52,000 families served during the enrollment year experienced homelessness. Of those families, 32 percent found housing during the program year. Approximately 73,000 Head Start families received housing assistance, such as subsidies, utilities, and repairs.

⁶ See, U.S. Department of Health & Human Services. *Head Start Program Facts: Fiscal Year 2018*, available at: <https://eclkc.ohs.acf.hhs.gov/sites/default/files/pdf/no-search/hs-program-fact-sheet-2018.pdf>.

In Ohio alone, sixty-five Head Start providers served a total cumulative enrollment of nearly 30,000 preschool children in Head Start and over 5,300 infants and toddlers in Early Head Start in the 2017 program year.

Simply put, we should be expanding access to Head Start and Early Head Start, not shrinking the number of people participating in these programs based on inappropriate poverty measures. Participation in these programs will naturally shrink if the new index causes more people to fall above the poverty thresholds.

B. Low-Income Home Energy Assistance Program (LIHEAP)

Approximately 6 million people received LIHEAP assistance in 2018. The 2018 survey conducted by the National Energy Assistance Directors' Association (NEADA)⁷ found that:

- 46 percent of LIHEAP households had a senior in the household aged 60 or older.
- 52 percent had a disabled household member.
- 36 percent had a child 18 or younger.
- 82 percent had annual household income below \$20,000.

The poor are hit hard by energy bills, which take about 12 percent out of a low-income paycheck, but only 2.7 percent from households with higher wages. In winter the heating bill can cost a poor family 25 percent of its income. Over time, shrinking the inflation adjustment for the poverty measure will mean more households will exceed the percent cutoff, so that they will be denied LIHEAP assistance.

C. Hill-Burton Uncompensated Services Program

The Hill-Burton Uncompensated Services Program requires certain healthcare facilities nationwide to make a reasonable volume of services available to people unable to pay, and to make their services available to all persons residing in the facility's area. Since 1980, more than \$6 billion in uncompensated services have been provided to eligible patients through Hill-Burton at hospitals, nursing homes, public health centers, rehabilitation facilities, and other health facilities.⁸ As of June 2019, 134 facilities are across the nation are required to provide free or reduced-cost health care.

Eligibility for Hill-Burton free or reduced cost care is based on a person's family size and income as determined by the federal poverty guidelines. The proposed alternative indexes will cause people to fall above the eligibility criteria for Hill-Burton care, leaving individuals unable to afford necessary care in their community.

⁷ National Energy Assistance Directors' Association. *2018 NATIONAL ENERGY ASSISTANCE SURVEY FINAL REPORT* (Dec. 2018), available at: <http://neada.org/wp-content/uploads/2015/03/liheapsurvey2018.pdf>.

⁸ See, U.S. Department of Health & Human Services. *Medical Treatment in Hill-Burton Funded Healthcare Facilities*, available at: <https://www.hhs.gov/civil-rights/for-individuals/hill-burton/index.html>.

D. Health Careers Opportunity Program

The Health Careers Opportunity Program (HCOP) provides grants to individuals and organizations designed to increase opportunities for individuals from disadvantaged backgrounds to enter the health professions. The program strives to build diversity in the health professions by developing a more competitive applicant pool for health profession schools, as well as graduate programs in behavioral and mental health.

Eligible participants of the HCOP grant program must a) meet the definition of economically disadvantaged; b) be from an “educationally disadvantaged” background; and c) express an interest in pursuing a health degree program. By altering the mechanism by which one determines whether an applicant is “economically disadvantaged”, as proposed by OBM via an alternative inflation index, more people will fall above the income-level criteria for the HCOP program.

This could have a terrible consequence on health care providers’ ability to find qualified, diverse staff able to meet community needs. Nursing, for example, represents one of the largest occupations in Ohio. Some estimate that nursing shortages are as high as 40 percent in hospitals in underserved medical communities.⁹ Programs such as HCOP are vital to ensuring that healthcare providers in Ohio can tap into trained resources and continue to meet the medical needs of all communities. OBM should conduct an analysis to determine to what extent switching indexes will cause more people to fall above eligibility levels for HCOP and similar career-focused programs designed to lift low-income families out of poverty through professional pathways.

E. Breast/Cervical Cancer Early Detection

To improve access to breast and cervical cancer screening, Congress passed the Breast and Cervical Cancer Mortality Prevention Act of 1990, which directed the CDC to create the National Breast and Cervical Cancer Early Detection Program (NBCCEDP). In 2000, Congress went on to pass the Breast and Cervical Cancer Prevention and Treatment Act, which allowed states to offer women who are diagnosed with cancer in the NBCCEDP access to treatment through Medicaid.

Today, the NBCCEDP programs across the country are vital to helping low-income, uninsured, and underinsured women gain access to timely breast and cervical cancer screening, diagnostic, and treatment services. NBCCEDP also provides support services to help women overcome barriers and get timely access to quality care.

In 2017 alone, these programs provided approximately 300,000 screening services, 134,000 pap tests, and 191,000 mammograms to women across the country.¹⁰ Through such efforts, the NBCCEDP diagnosed 2,521 invasive breast cancers and 765 premalignant

⁹ See, Ohio University. *A Look at the Nurse Shortage*, available at: <https://onlinemasters.ohio.edu/blog/a-look-at-the-nurse-shortage/>.

¹⁰ U.S. Centers for Disease Control: National Breast & Cervical Cancer Early Detection Program. *Summarizing the Second Decade of Progress Towards Breast and Cervical Cancer Control* (2003-2014), available at: <https://www.cdc.gov/cancer/nbccedp/pdf/nbccedp-national-report-2003-2014-508.pdf>.

breast lesions, and 168 invasive cervical cancers and 5,990 premalignant cervical lesions, of which 37% were high-grade.

In a five-year period from January 2013 to December 2017, Ohio's NBCCEDP program served approximately twenty thousand women through screenings, pap tests, mammograms, and other diagnostic services. The program found abnormal results in 4.2 percent of all pap tests, and cervical cancers or lesions in 9.3 percent of pap tests. The percentages for abnormal results or cancers was even higher through mammogram services, reaching detection rates of 18.4 percent and 16.4 percent, respectively.¹¹

Many of these illnesses, which go undetected disproportionately among women of racial and ethnic minority and low-income groups, result in death among women. Simply put, programs such as the NBCCEDP help save lives and stability for families by ensuring that women have timely access to screenings and treatment services.

F. Maternal and Child Health Block Grant

In 2017, the Maternal and Child Health Block Grant Program funded 59 states and jurisdictions to provide health care and public health services for an estimated 56 million people, including pregnant women, infants, children: 86% of all pregnant women, 99% of infants, and 55% of children nationwide benefitted from a Title V-supported service.

The Block Grant's goals are to promote equal access to quality health care, reduce infant mortality and the incidence of preventable diseases, and to increase the number of children immunized against disease. States determine the actual services provided under the grant.

In Ohio, these services include counseling, family planning, immunization, and inpatient services, among others; all focused on assuring mothers and children (in particular those with low income or with limited availability of health services) access to quality maternal and child health services. For the almost 1 in 6 Ohioans who live in poverty (15.4%), these services are critical, especially in counties with large metropolitan areas such as Mahoning (Youngstown) and Trumbull (Warren) which have higher rates of poverty than the state average.

G. Supplemental Nutrition Assistance Program (SNAP)

The U.S. Department of Agriculture found that 15 million households with 40 million people faced difficulty in affording food.¹² For people below 185 percent of the poverty line, more than 30 percent were food insecure.

¹¹ U.S. Centers for Disease Control: National Breast & Cervical Cancer Early Detection Program. *Five-Year Summary: January 2013 to December 2017*, available at: <https://www.cdc.gov/cancer/nbccedp/data/summaries/ohio.htm>.

¹² See, United States Department of Agriculture: Economic Research Services. *Food Insecurity Status of U.S. Households in 2017*, available at: <https://www.ers.usda.gov/topics/food-nutrition-assistance/food-security-in-the-us/key-statistics-graphics/#foodsecure>. We should not be increasing the number of households that do not qualify for SNAP assistance when so many under the current guidelines find it difficult to afford an adequate diet.

The SNAP program was designed to raise the nutrition level in zero- and low-income households. According to the Ohio Department of Job and Family Services (ODJFS), about 1.7 million persons received benefits from SNAP during state fiscal year (SFY) 2017 to improve their food security.¹³

The OBM should not choose to use an index which causes even more people to fall above SNAP's eligibility criteria.

H. Job Corps

The U.S. Department of Labor created the Job Corps program to provide free vocational training for men and women between 16 and 24 years old. It is the nation's largest career technical training and education program for students in this age group. Training is provided at no cost to participants. The participants tend to be school dropouts, runaways or foster children, or parents that must support a child financially.¹⁴ Applicants might also be homeless.

In order to participate in the program, applicants must meet income-criteria: that they are receiving public assistance from a local, state or federal programs, have earned income below the poverty level, or have received food stamps within 6 months of applying to the Job Corps. Programs such as Job Corps provide low-income families with an opportunity to escape poverty.

The OBM should not choose to use an index which will cause more people to fall above Job Corps' eligibility criteria due to a slow-growing inflation adjustment.

I. Senior Community Service Employment Program (SCSEP)

SCSEP helps low-income, unemployed individuals over the age of fifty-five find part-time employment with non-profit organizations. The program itself is designed to accomplish several goals, including building skills, self-confidence, and combating loneliness while earning a modest income. It also helps community non-profits by providing additional staff support for services.

In addition to building skills and confidence, what is especially important about the SCSEP is to what extent it helps combat loneliness, which is an epidemic today for the elderly. Some sources suggest that loneliness and social isolation can be as damaging to health as smoking 15 cigarettes a day.¹⁵

¹³ Ohio Department of Health. *Maternal and Child Health Services Title V Block Grant; Ohio*. (September, 2018), available at: <https://odh.ohio.gov/wps/portal/gov/odh/know-our-programs/title-v-maternal-and-child-health-block-grant/resources/title-v-application-and-annual-report>.

¹⁴ See, Job Corps. *FY 2019 CONGRESSIONAL BUDGET JUSTIFICATION: EMPLOYMENT AND TRAINING ADMINISTRATION*, available at: <https://www.dol.gov/sites/dolgov/files/general/budget/2019/CBJ-2019-V1-04.pdf>.

¹⁵ Health Resources & Services Administration. *The 'Loneliness Epidemic.'* (Jan. 2019), available at: <https://www.hrsa.gov/enews/past-issues/2019/january-17/loneliness-epidemic>.

Through SCSEP:

- 65,081 individuals received paid training in FY15;
- More than 2,000 public and nonprofit agencies benefitted from over 34 million service staff hours;
- 51% of participants gained unsubsidized employment following the program;
- 88% of participants reported the same or better physical health while working; and
- 72% reported a better outlook on life while working.

Among other requirements, participants must be living on a family income of no more than 125% of the federal poverty level. OCHC is concerned that the proposed change will cause low-income, elderly adults to fall above the SCSEP program eligibility requirements.

J. Weatherization Assistance for Low-Income Persons

The federal government sets the maximum income for eligibility at below 200 percent of the poverty guidelines for weatherization assistance programs. Low income households, either working or with retirement income, struggle to pay high housing costs, including utilities.

Weatherization programs will help fewer households over time if a flawed inflation adjustment makes more people fall above the income-eligibility cutoffs. If fewer households are able to save on energy costs through weatherization, more of them may be forced to make unhealthful trade-offs, cutting back on medicine or food in order to pay high heating bills. Such choices would especially threaten the health of vulnerable children, seniors, and people with disabilities.

K. Legal Services Corporation:

Legal Services Corporation (LSC) was established by Congress in 1974 to provide financial support for civil legal aid to low-income Americans. LSC promotes equal access to justice in many ways, one of which is by providing funding to 133 independent non-profit legal aid programs in every state, the District of Columbia, and U.S. Territories. LSC-funded recipients provide legal services to thousands of low-income families, seniors, and veterans across the country each year.

Similar to many other programs, LSC links eligibility to the federal poverty guidelines. Regulation section 1611.3(c) establishes a maximum income level equivalent to 125% of the guidelines, a percentile which equates to earning less than \$35,000 per year for a family of four in 2019.¹⁶ LSC-funded programs also link eligibility for services to the poverty guidelines and official poverty measure, but often rely on state or other donors to raise the financial eligibility criterion to reach additional families who are struggling to make ends meet. For example, through LSC funding and funding from the Ohio Legal Assistance Foundation, Community Legal Aid Services, Inc. helps families which, in most cases, fall

¹⁶ U.S. Department of Health & Human Services: Office of the Assistant Secretary for Planning and Evaluation. *2019 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA* (January, 2019), available at: <https://aspe.hhs.gov/poverty-guidelines>.

at or below 200 percent of federal poverty guidelines. In 2019 for a family of four, that threshold (200%) stops at \$51,500.¹⁷

Legal issues related to civil law impact low-income individuals and families negatively and contribute to the perpetuation of poverty. For civil cases, distinct from criminal cases, individuals and families are not guaranteed the help of an attorney and can face high stakes and dismal odds when they must navigate the civil legal system alone. If they lose one civil case, additional legal problems, other challenges, and expenses can quickly multiply. Civil legal assistance provided by legal aid nonprofits in the United States addresses these problems.

Legal Aids' assistance allows individuals and families to secure stability in a wide variety of areas, including financial, family, health, housing, education and civic involvement. Equal justice for all has never been so important in recent history as it is now. With widening income gaps, the new norm of transient living, increasing disparities in education of young people, and the pervasiveness of chronic health disorders, it is critical for many families—and for communities at large—that low-income families have access to legal services.

By adopting an inflation index that causes more people to fall above legal aid eligibility criteria, fewer people will receive legal services that could improve their stability.

L. Servicemembers and Veteran's Services

Most, if not all, of the above referenced programs provide services to active-duty and veteran service members. At least 23,000 active-duty servicemembers¹⁸ and almost 1.4 million veterans¹⁹ are SNAP users with The National Guard and Reserves having the highest rate of SNAP usage.²⁰ In Ohio, there are an estimated 59,000 veteran beneficiaries of the program.²¹ In 2015 alone, military families spent over \$21 million dollars in SNAP at commissaries (grocers on installations which exclusively serve Department of Defense (DOD) families).²² And about 1 in 4 children at DOD schools currently qualify for free or

¹⁷ *Id.*

¹⁸ United States Government Accountability Office: Report to Congressional Committees, "Military Personnel DOD Needs More Complete Data on Active-Duty Servicemembers' Use of Food Assistance Programs," July 2016, <https://www.gao.gov/assets/680/678474.pdf>.

¹⁹ Brynne Keith-Jennings and Lexin Cai, "SNAP Helps Almost 1.4 Million Low-Income Veterans, Including Thousands in Every State," Center on Budget and Policy Priorities, November 8, 2018, <https://www.cbpp.org/sites/default/files/atoms/files/11-9-17fa.pdf>.

²⁰ Andrew London and Colleen Heflin, "Supplemental Nutrition Assistance Program (SNAP) Use Among Active-Duty Military Personnel, Veterans, and Reservists," Population Research and Policy Review, December 2015, Vol. 34, Issue 6, pp. 805-826, <https://link.springer.com/article/10.1007%2Fs11113-015-9373-x>.

²¹ Brynne Keith-Jennings and Lexin Cai, "SNAP Helps Almost 1.4 Million Low-Income Veterans, Including Thousands in Every State," *supra*.

²² United States Government Accountability Office: Report to Congressional Committees, July 2016, *supra*.

reduced lunches.²³ Further, in 2011, LIHEAP aided 1.78 million veterans with energy costs -- that's 20% of the population the program served.²⁴

The Department of Veterans Affairs (VA) offers reduced-cost and free services to qualifying veterans as determined by the federal poverty guidelines. Changing the guidelines would mean many veterans could lose or have reduced access to counseling, medical treatment, as well as housing and career services.

The OBM should not change to an index with such damaging implications for those who have served and are currently serving.

To summarize, as the price of health care, education, childcare and other costs rise beyond inflation or wages and income, the effects worsen dramatically for those with lower incomes. That means children, single mothers, people of color, people with disabilities, veterans, and low-income retirees, all of whom are especially vulnerable populations, will be even worse off.

This change will be far-reaching and devastating for hundreds of thousands of people over the next decade. Estimates suggest that after 10 years, shrinking the inflation adjustment for the poverty line will cause:

- More than 250,000 seniors and people with disabilities to lose help paying for prescription drug costs;
- More than 300,000 children will lose their health insurance through Medicaid and CHIP Coverage;
- More than 250,000 adults will lose coverage through Medicaid expansion;
- More than 150,000 marketplace consumers will lose cost-sharing assistance and see higher deductibles for their health insurance; and
- Tens of thousands will lose premium tax credits which makes purchasing health insurance more affordable.

Conclusion:

OCHC strongly believes that a more accurate measure of poverty will better address the needs of low-income individuals and families. These families need programs such as Medicaid, Medicare Part D prescription drug subsidies, SNAP, LIHEAP, Weatherization, Legal Aid, Head Start, etc. to help them escape poverty. Changing the inflation index as proposed is not the solution, however. The proposed changes, if implemented without more in-depth analysis and input from federal agencies responsible for administering support programs, will deny low-income individuals and families basic needs because the poverty line will be a less accurate reflection of their circumstances.

It has long been understood that the OPM/poverty level is incomplete and outdated. It was first set during the Johnson Administration after research showed that low-income families at the time

²³ Id.

²⁴ National Energy Assistance Directors' Association, "LIHEAP Recipients by Veteran Status," December 8, 2011, http://neada.org/wp-content/uploads/2013/12/LIHEAP_Veteran_Study_V3.pdf.

spent about one-third of their income on food. Since then, it has been increased for inflation, but without a serious revision based on current spending patterns.

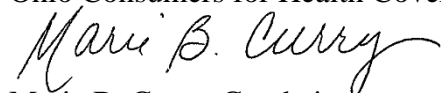
OCHC submits these comments despite failure of OMB to include an analysis by the Census or other federal agency. By seeking comments without the essential analysis describing the magnitude of the impact on different populations, OMB has provided a false opportunity, leaving organizations like OCHC to attempt to identify the potential negative impact that should have been part of OMB's consideration in proposing this change. Changing one small aspect of the poverty measure (the annual inflation adjustment, as proposed now) is certain to result in further inaccuracies. Any change should build on existing research that suggests the official poverty measure is too low for most types of households, and that shrinking the inflation adjustment will make it less accurate, not more. OMB's focus should be focused on improving the technical accuracy of the poverty measure in consultation with federal programs responsible for helping low-income individuals and families in need.

OCHC supports efforts to make adjustments to how the OPM is calculated that would result in raising the OPM not lowering it, thus improving its accuracy. Some possible changes could include a re-evaluation of the expenses that families experience such as child-care and out of pocket medical costs, and the impact of food deserts.²⁵ The poverty line should also capture rising living standards, as items that were once not necessary— such as a computer, cell phone and internet service, for example — become minimum requirements of acceptable living (and increasingly important for finding and retaining a job).

The OPM should look to other metrics that are viewed as better measures of current living expenses such as the Census Bureau's Supplemental Poverty Measure; this measure is developed based on a National Academy of Sciences study and results in a higher poverty threshold for most households – which should be the goal since the current metric under-measures poverty.²⁶ Indeed, using this measure would more accurately account for expenditures such as housing, child care, and out of pocket medical expenses, and includes income sources such as SNAP and refundable tax credits.

Thank you for this opportunity to comment.

Respectfully submitted,
Ohio Consumers for Health Coverage


Marie B. Curry, Co-chair

Darold Johnson, Co-chair

²⁵ Rebecca Blank and Mark Greenberg, "Improving the Measurement of Poverty," Hamilton Project, Brookings Institution, December 2008, https://www.brookings.edu/wp-content/uploads/2016/06/12_poverty_measurement_blank.pdf.

²⁶ Parrott, *op cit* and National Research Council, *Measuring Poverty: A New Approach*, National Academies Press, 1995.