

## Major Stakeholder Comments Show Breadth of Opposition to the Administration's Proposal to Lower the Poverty Line by Using a Lower Measure of Inflation

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### HEALTH CARE PROVIDERS

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- **American Medical Association:** “For reasons explained below, the AMA urges the OMB to refrain from using the Chained Consumer Price Index for All Urban Consumers (C-CPI-U) measure to estimate the Official Poverty Measure (OPM)... Using the C-CPI-U to calculate inflation penalizes vulnerable populations by understating their higher inflation. Using it to derive the OPM would create an additional penalty by affecting eligibility thresholds for multiple health and human services programs across the country, including access to health care coverage. Accordingly, to avoid great harm to some of this country’s most vulnerable patients, we urge this office to not use the C-CPI-U to derive the OPM.”
- **American Academy of Family Physicians:** “AAFP is concerned that a change to the consumer price index used for the purposes of annually adjusting the Official Poverty Measure would result in more individuals losing coverage or seeing a reduction in benefits. According to an analysis by the Center on Budget and Policy Priorities, a lower inflation measure to calculate annual adjustments to the federal poverty line ultimately would cut billions of dollars from these federal health programs and cause millions of people to lose eligibility or reduced access from programs... Based on this analysis and existing AAFP policy, the AAFP strongly opposes any changes to the federal government's definition of poverty that reduce eligibility for Medicaid, Supplemental Nutrition Assistance Program (SNAP), and other federal programs on which many low-income Americans depend.”
- **American Hospital Association:** “The [American Hospital Association] urges the Office of Management and Budget (OMB) to continue using the Consumer Price Index for All Urban Consumers (CPI-U) in making annual adjustments to the OPM. The alternative measures of inflation, specifically those outlined in the request for comments, are critically flawed in that they do not accurately represent low-income and poverty-level households. Given these flaws, it would be inaccurate to adjust OPM annually by these alternatives... The AHA is concerned that using these measures to inflate the OPM would further undercount the number of Americans living in poverty. This technical change would have implications for how people living in poverty are counted and would affect eligibility for a number of public programs. But it would not change how many Americans are living in poverty, are economically insecure, and have poor access to health, nutrition and publicly funded educational services.”
- **Children’s Hospital Association:** “We urge you to undertake in-depth research and analysis and solicit public comments regarding the potentially negative impact such a change would have on low-income and other vulnerable populations, including children, prior to making any changes to the index... For example, a recent analysis estimates that more than 300,000 children would be at risk of losing their Medicaid or CHIP coverage after ten years of updating the poverty line using the Chained Consumer Price Index for All Urban Consumers (C-CPI-U) or “chained” CPI, one of the options included in the Request.”
- **Catholic Health Association:** “The results of such a dramatic loss of coverage and access to basic support services will lead to an increase in costs for low-income families, higher uncompensated care costs for health providers and would strain social service providers as they struggle to meet increased demand for assistance. We know that social determinants of health, such as food and health care, play a major role in improving individual and population health and decreasing health disparities. By addressing only the rate of inflation while disregarding the broader inaccuracies in the OPM and the impact changes would have on eligibility for federal health, nutrition and other basic necessities, OMB’s proposal would lead to a less accurate measure of poverty, harm the health of both individuals and communities and impose greater costs on our health care system.”

- **[America's Essential Hospitals](#)**: “We are concerned this proposal would push vulnerable people out of these programs without any real sense or determination of whether or not support is still needed. In addition, essential hospitals, which serve a disproportionate share of individuals at the poverty line, will shoulder additional uncompensated care costs as beneficiaries lose Medicaid and CHIP coverage... Poverty-based programs that use the official poverty measure and other income measures are too vital for our nation’s vulnerable people to be changed without careful deliberation and consideration of potential impact.”
- **[National Association of Community Health Centers](#)**: “Any changes that result in fewer people being eligible for Medicaid, CHIP, and Marketplace subsidies will increase the number of individuals who are uninsured and underinsured. As health centers are required – both by law and mission – to ensure that everyone can access high-quality care, they will continue to care for these individuals, regardless of their ability to pay. However, this will increase financial stress on health centers—and other safety net providers who care for underserved patients – as will no longer receive insurance reimbursement for these services.”
- **[National Council for Behavioral Health](#)**: “The National Council is opposed to any change that would lower the OPM year-over-year. Instead, we urge OMB to either maintain the OPM calculations as they are today or choose a measure of inflation that is greater than the current measure... The National Council is concerned that any change made that would potentially lower the OPM would have adverse consequences in various governmental systems. This would also eventually impact the lives of Americans who live on the threshold of poverty, who are more likely to live with a mental health concern than those whose income is well above the federal poverty level.”
- **[Partnership for Medicaid](#) (a nonpartisan, nationwide [coalition](#) of 14 organizations including the American College of Obstetricians and Gynecologists, the American Academy of Pediatrics, the Children’s Hospital Association, the Catholic Health Association of the United States, the National Association of Community Health Centers, the National Council for Behavioral Health, and the National Rural Health Association)**: “In addition to the impact on health coverage and access to care for vulnerable Americans, it has long been understood that our nation’s OPM is incomplete and outdated. Changing the annual inflation adjustment for the OPM will not provide a more accurate picture of poverty and is certain to result in further inaccuracies. Any change should build on existing research that suggests the OPM is, in fact, too low for most households, and that shrinking the inflation adjustment will make it *less* accurate, not more.”

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## HEALTH PLANS

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- **[America's Health Insurance Plans](#)**: “AHIP and its members have serious concerns about the changes in calculating the Poverty Threshold that are under consideration by OMB, as some of the changes contemplated would lower eligibility limits for public programs... Changes that would eliminate eligibility or make it difficult or impossible for people to afford coverage conflicts with a core national priority, and a central goal of AHIP and its members, of improving health by increasing access to health care. It can cause many vulnerable Americans to avoid obtaining health coverage and seek care only when an emergency develops. This would reduce their use of necessary preventive and primary care services, vaccines, and prescription drugs. The result would be poorer health outcomes and greater reliance on costly emergency room and hospital services... In summary, we urge OMB to maintain the current methodology for indexing the Poverty Threshold.”
- **[BlueCross BlueShield Association](#)**: “While we recognize and appreciate the Office of Management and Budget’s (OMB) responsibility to update policies or guidance that may be out of date, BCBSA is concerned with the proposal to adjust the Official Poverty Measure (OPM), or poverty threshold, for inflation using chained CPI (C-CPI-U) or the Personal Consumption Expenditures Price Index (PCEPI) due

to the negative impacts it could have on eligibility for critically important means-tested programs... By switching to C-CPI-U or PCEPI, eligibility for means-tested programs will decline significantly over time, impacting public health and the financial well-being of children and their families, as well as seniors and people with disabilities... One of our core principles is the belief that everyone should have access to healthcare coverage. These programs are essential to assisting millions of Americans in gaining coverage. As such, BCBSA does not support policies that would result in fewer children and families having access to healthcare coverage and added strain on under-resourced safety net hospitals and community health centers.”

- **Association for Community Affiliated Plans:** “ACAP is most concerned with changes to the consumer price measure that would decrease eligibility and reduce insurance coverage among people with low incomes. At least one analysis has suggest that 10 years after updating the poverty line using a measure such as the chained CPI... 250,000 seniors would lose eligibility for Medicare Part D, over 150,000 seniors and people with disabilities will lose help paying for Medicare premiums, more than 300,000 children and some pregnant women would lose Medicaid or CHIP eligibility, [and] over 250,000 adults would lose Medicaid expansion coverage. ACAP strongly opposes any measure that would decrease benefits for these beneficiaries.”

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## ADVOCATES FOR SENIORS

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- **AARP:** “AARP is concerned that adjusting poverty thresholds with an index other than the current CPI-U may adversely affect poor and near-poor individuals, and may eventually negatively impact cost-of-living adjustments for some 60 million Social Security beneficiaries... The OPM is used to establish eligibility for a host of health care benefits and nutrition assistance. Prices for health care goods and services rise at a faster rate than consumer prices, and older Americans utilize health care more often than the general population. Reducing the rate of inflation for subsidies and program eligibility means that for older Americans – and many others – assistance will not cover their costs of care, or they will be unable to get help at all. Additionally, millions of Americans, including older Americans, rely on the Supplemental Nutrition Assistance Program (SNAP) to meet their basic nutritional needs. SNAP participation is linked with reduced hospital and nursing home admissions among older adults, as well as overall reduced health care costs.”
- **Leadership Council of Aging Organizations:** “It is clear that proposals to change the inflation measure to shrink the OPM’s annual rate of increase would incorrectly define even more low-income older adults and people with disabilities as not living in poverty. But changing the definition would neither change the needs of these populations, nor eliminate their struggle to pay for essentials. Without careful study, any change to poverty measures could result in many being left ineligible for the critical public benefits that enable them to put food on the table, keep the heat on, afford their medications, see the doctor, and live with independence and dignity. These harms would be borne by communities that already face the greatest barriers to meeting their basic needs, particularly women and Asian and Hispanic Americans because they have higher life expectancy, and people with disabilities who became disabled early in life.”
- **Medicare Rights Center:** “[T]he OMB notice contemplates changes that could create additional uncertainties and challenges for people with Medicare living on fixed or limited incomes. We are concerned that if adopted, over time this new system would cause ever-fewer people to qualify for essential assistance programs, despite their not experiencing any upward financial mobility. While we appreciate the agency’s recognition that the current poverty threshold is outdated, its proposal would likely only worsen these existing flaws.”
- **Justice in Aging:** “OMB should not ignore the evidence of low-income household spending and income patterns, including those of the older adults that Justice in Aging serves. An attempt to shrink the

inflation adjustment will not only be an inaccurate reflection of consumer finances, but also have catastrophic effects for already disadvantaged populations including older adults, people with disabilities, people of color, and women. Low-income seniors rely on programs whose eligibility thresholds would be affected by the proposed change in the inflation measure used to calculate the poverty line. Denying people benefits by making the poverty threshold a less accurate reflection of their circumstances is contrary to Congressional intent and the national interest.”

- **Alliance for Retired Americans:** “Poverty is on the rise among older Americans. The Census Bureau’s OPM, which is 9.2% for adults age 65 and older, understates the true level of poverty among older adults. According to the Census’ Supplemental Poverty Measure, which factors in liabilities and out of pocket medical costs, the rate is actually 14.1%. Ironically, while the current OPM is inaccurate and outdated, changing the measure would cause many seniors to lose eligibility for assistance programs that they so desperately need to make ends meet... Lowering [the current poverty line] further would make poverty measurement less accurate, giving policymakers and the public less credible information about the number and characteristics of older families struggling to get by.”

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#### ADVOCATES FOR PEOPLE WITH DISABILITIES AND OTHERS WITH SERIOUS HEALTH NEEDS

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- **Coalition of 26 patient organizations (including American Cancer Society Action Network, American Kidney Fund, American Lung Association, National Alliance on Mental Illness, and United Way):** “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.”
- **American Heart Association:** “We are troubled that this proposal, if implemented, would gradually lower the measurement of inflation – reducing the impact and value of assistance over time. The proposed changes would negatively impact a wide array of services and programs, including those that increase the availability and affordability of health insurance coverage, nutrition programs, housing assistance and eligibility for other federal assistance that contribute to healthier lives for millions of people living in the United States.”
- **Consortium for Citizens with Disabilities:** “As the request for comments states, the C-CPI-U “employs a formula that reflects the effect of substitution that consumers make across component item categories, for example in response to changes in relative prices.” However, it is not possible for people with disabilities to make certain substitutions: if insulin becomes more expensive, people with diabetes cannot substitute a different medication to sustain life. If bus fare increases, people with severe visual impairments or epilepsy cannot switch to driving a car. If the price of deli meat increases, people with peanut allergies cannot swap their turkey sandwiches for PB&Js. People with disabilities often require specially tailored clothing, assistive devices and technologies, specific diets, and other expenditures that cannot easily be changed because of changes in relative prices... CCD opposes the use of the Chained Consumer Price Index for All Urban Consumers (C-CPI-U) or any other “chained” measures of inflation.”

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## ADVOCATES FOR CHILDREN

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- [American Academy of Pediatrics, Children’s Defense Fund, Children’s Dental Health Project, Children’s Hospital Association, Family Voices, First Focus on Children, March of Dimes, and National Association of Pediatric Nurse Practitioners](#): “To protect crucial programs for children, we strongly recommend that consistent with longstanding law and practice and Congressional intent, the Census Bureau’s Official Poverty Measure (OPM) should continue to be annually adjusted by the Consumer Price Index for All Urban Consumers (CPI-U). We are concerned that adopting another measure of inflation, such as the chained CPI, should it have the effect of lowering the federal poverty line (which is based on the OPM), would detrimentally impact tens of millions of low-income individuals and families enrolled in federal programs that rely on the federal poverty line in determining eligibility and benefits... If a change is made that slows the adjustment of the poverty line over time, children would not just lose access to Medicaid, they would also lose the long-term health benefits and outcomes that Medicaid is shown to produce.”

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## ANTI-HUNGER ORGANIZATIONS

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- [Bread for the World](#): “Bread for the World Institute believes this proposal would lead to more food insecurity in the United States because it would reduce or eliminate assistance to millions of people living in low-income households in the U.S.... Further, students in households with incomes at or below 140 percent of the poverty line are eligible for free school breakfasts or lunches. These free meals are often the only meal many low-income students receive during the day. A student from a household with income between 130 and 185 percent of the poverty threshold is eligible for a reduced price meal. If the annual inflation adjustment for the poverty measure is reduced, more than 100,000 school- age children would lose eligibility for free or reduced price school meals. In addition, more than 100,000 children would lose eligibility for free meals, though they could pay the reduced price. Students whose families receive SNAP benefits automatically qualify for free school meals, but if their families’ earnings bump them out of eligibility for SNAP because of the shrinking poverty measure, they will be doubly impacted by having to pay for school meals. The evidence is overwhelming that adequate nutrition for children is important for their health, physical and cognitive development, and learning. This proposal would make good nutrition for children in school harder for their families to afford.”
- [Feeding America](#): “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 (PCEPI) in place of the CPI-U. We strongly urge you to reject this change... With such a significant proportion of the food insecure population with reported income above 130% of the federal poverty level, changes to the cost of living adjustment for the federal poverty rate will have a profound impact on eligibility for federal nutrition programs and lead to unsustainable demand for food assistance at the nation’s food banks.”
- [Food Research and Action Center](#): “We strongly urge you to reject changes that would apply a slower or less accurate cost-of-living adjustment each year, as such unwarranted changes would result in fewer people in need able to access the Supplemental Nutrition Assistance Program (SNAP), school meals and many other means-tested programs that make up this nation’s nutrition safety net... A basic premise of the Chained CPI is generally that individuals choose less costly alternatives when inflation affects prices. Such an assumption regarding low-income individuals’ behavior may not be apposite, as low-income individuals’ constrained resources make them more likely to choose lower cost items even prior to inflationary spikes. Therefore, the Chained CPI is not an appropriate method of calculating the poverty guideline. Any changes impacting the federal poverty guidelines should build on ways to make those guidelines more accurate, not less.”



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## STATE AND LOCAL POLICYMAKERS

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- **National Governors Association:** “While we understand it has been 40 years since the inflation measure has been reevaluated and an update may be necessary, Governors are committed to preventing changes to the federal poverty line calculation that would potentially reduce federal funding for critical programs, shift costs to states and adversely impact our residents. For these reasons, governors urge meaningful consultation about the merits of proposed adjustments with states when considering any changes to the federal poverty line. The federal government should provide states with a thorough analysis of the impact of any changes and engage in dialogue about those impacts prior to moving forward with a Notice of Proposed Rulemaking.”
- **Association of State and Territorial Health Officials:** “ASTHO has serious concerns about the unknown net effect of moving from using the Consumer Price Index for All Urban Consumers (CPI-U) to using the Chained Consumer Price Index for All Urban Consumers (C-CPI-U). In particular, ASTHO is concerned that no current analysis or data exist about how this change will impact the availability of life-saving programs for vulnerable people such as primary and acute healthcare, as well as mental health and substance misuse prevention, treatment, and recovery services. Many public benefit programs play an important role in preventing the spread of communicable diseases (e.g., HIV and influenza), reducing the prevalence of noncommunicable diseases (e.g., diabetes and obesity), ensuring healthy pregnancies and birth outcomes, improving nutritional deficits among infants, and promoting positive health outcomes for young children. If the proposed change would prevent vulnerable families from accessing programs through which they receive essential public health and nutrition services, their health status and health outcomes would worsen, undermining the public’s health.”
- **National Association of Counties:** “By changing the federal poverty level, states and counties could also face several unintended consequences, which we hope OMB will study before finalizing a new threshold. For example, counties administer the Temporary Assistance for Needy Families (TANF) program in ten states across the country, accounting for half of TANF recipients across the country. TANF relies on the federal poverty level to establish eligibility for program recipients. By changing the federal poverty threshold, this may result in fewer individuals accessing these support services, and counties may face increased demands for assistance from these individuals and families. In addition to funding and administering programs like TANF, counties are also mandated to provide some level of health care for low-income, uninsured or underinsured residents – care that is often not reimbursed with costs falling directly to counties. Changing the poverty threshold may limit eligibility for certain federal health programs, such as Medicaid, leading to more under and uninsured individuals and families for whom counties are providing uncompensated care.”
- **National WIC Association:** “Over the decades, research has validated the health benefits of WIC participation and the effects of the tailored food package in addressing micronutrient deficiencies at a crucial stage of development. Prenatal participation is associated with lower risk of preterm birth and a greater chance of preventing low- or very low-birthweight. WIC’s food package has been associated with lower rates of childhood obesity... WIC works in tandem with other programs to promote a healthier future for the United States. In order to seriously address poverty and alleviate the pains faced by many American families, we must remain committed to a holistic approach. Efficient program administration is not advanced when one of the most integral data sources is skewered by faulty metrics, such as a slower inflation index. We strongly urge the Administration against a departure from the CPI-U or any other steps that would alter program eligibility or otherwise distort data collection efforts.”
- **National Head Start Association:** “...[T]he poverty guidelines are based directly on the previous year’s OPM, any changes to the OPM or the way the OPM is calculated would have substantial, direct impact on Head Start... it is not clear whether the chained CPI is a more accurate measure for low-income

households than the CPI-U. This could lead to families unnecessarily losing access to critical programs. As the OPM primarily impacts Census data reports and calculations, this could also lead to inaccurate Census data which Head Start programs, among others, rely on to make programmatic decisions. We recommend that OMB carefully study the unique impacts of inflation measure specifically on low-income communities before making any change to the OPM or process for updating the OPM.”

- **[Colorado Governor Jared Polis](#)**: “An index that results in the use of lower annual inflation estimates to adjust the federal poverty level would decrease access to health care and nutrition benefits for thousands of Coloradans. The State of Colorado serves low income and vulnerable residents through multiple safety net programs. These individuals receive life-saving health care benefits through Health First Colorado, Colorado’s Medicaid Program; access to food assistance through SNAP; and, support for new mothers and their children through Women, Infants and Children Program (WIC). The poverty threshold is used to calculate Income Eligibility Guidelines for Free and Reduced Price meals used by schools, institutions, and facilities participating in the National School Lunch Program, School Breakfast Program, Special Milk Program, Child and Adult Care Food Program, and the Summer Food Service Program. Additionally, the FPL is used to calculate an individual’s eligibility for tax credits and cost sharing reductions through Colorado’s health insurance marketplace, Connect for Health Colorado... Changes to the current method of adjusting the poverty threshold are critically and inherently linked to the eligibility of the programs noted above. Colorado therefore strongly opposes any revisions to the inflation measure used to annually adjust the OPM that would have a negative impact on Coloradans’ ability to access vital health and other services.”
- **[Washington Governor Jay Inslee](#)**: “This notice makes clear the Trump Administration is considering changes that would leave tens of thousands of Washingtonians and millions of Americans without assistance for their health care, food, housing and child care needs. OMB must reject these changes... Assuming the change would impact benefit eligibility starting in 2020, we project the following reductions in Washingtonians’ access to federal, state and local assistance over ten years... More than 60,000 individuals would lose eligibility for health coverage through Medicaid and CHIP... Nearly 5,000 seniors and more than 3,600 people with disabilities would face higher out-of-pocket costs for healthcare in the Medicaid Medically Needy program... More than 100,000 individuals with health coverage under the Affordable Care Act would face higher health insurance premiums... Nearly 3,500 people would lose eligibility for basic food through SNAP... On a daily basis nearly 10,000 students would lose reduced price lunches, while nearly 20,000 students would lose free lunches...”
- **[Letter from 21 State Attorneys General](#)**: “OMB has not advanced evidence, or even reasoning, to support its considered changes to the inflation measure used to adjust the poverty threshold. Agency action is unlawful if such action is arbitrary and capricious. See 5 U.S.C. § 706(2). If OMB did not properly consider the relevant facts before making a policy change, its action would necessarily be considered arbitrary and capricious. See *Motor Vehicle Mfrs. Ass’n v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 56 (1983) (“[A]n agency changing its course must supply a reasoned analysis...”) (citation omitted). In taking action, “the agency must examine the relevant data and articulate a satisfactory explanation for its action including a ‘rational connection between the facts found and the choice made.’” *Id.* at 43 (citing *Burlington Truck Lines, Inc. v. United States*, 371 U.S. 156, 158 (1962)). Agencies have failed to engage in reasoned decision-making when they “entirely fail[] to consider an important aspect of the problem” or “offer[] an explanation . . . that runs counter to the evidence before the agency.” *State Farm*, 463 U.S. at 43... If OMB were to take any action to change the poverty threshold without considering its effect on the poverty guidelines and the many government programs that rely on those guidelines to determine eligibility for benefits, such action would necessarily be unlawful.”

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## NATIONAL POLICYMAKERS

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- **Letter from 11 Committee Chairs in the U.S. House of Representatives:** “Respectfully, as committee chairs whose committees collectively hold jurisdiction over federal programs for which income eligibility or other program rules are determined by the guidelines – including health care, nutrition assistance, education and worker training initiatives, Head Start, Historically Underutilized Business Zones (HUBZones) and base realignment and closure areas, and more – we express strong opposition to this change because of the harmful impact it would have, particularly on those who depend upon many of these programs. Over time, a slower-growing measure of inflation would cause millions of low-income families to lose access to crucial services that help them meet basic needs, such as keeping a roof over their children’s heads or putting food on the table... Any administrative action to change the poverty threshold, or the method by which it is set, would contradict congressional intent.”
- **Letter from 43 U.S. Senators:** “However, instead of ensuring the OPM more fully captures the financial hardships of low-income Americans and helping programs better serve them, OMB is looking for ways to shrink the services these individuals can access... Making this change while failing to address the ways in which the current poverty line underestimates hardship could decrease the accuracy of the OPM. Further, because chained CPI shows *slower* inflation rate over time, fewer Americans would fall below the poverty line in the future, and programs that serve low- and moderate-income people would see major funding cuts. Moreover, Congress has repeatedly enacted program eligibility standards based on the HHS guidelines, always assuming that these guidelines would continue to be updated with the current methodology. OMB should not unilaterally lower the guidelines and take health coverage and other basic assistance away from people Congress intended to have it, thereby increasing hardship for American children and families.”
- **Letter from U.S. Senator Mark Warner:** “As you know, the OMB notice contemplates lowering the poverty line by applying a smaller cost-of-living adjustment each year... OMB’s notice came as a surprise to many given evidence that the current inflation index may not do enough to account for the expenses that dominate lower-income households’ spending or accurately reflect changes in the cost of meeting basic needs. That official estimates of minimum living costs regularly exceed the poverty line by a significant margin only casts more doubt on the prudence and rationale of OMB’s notice.... Prior efforts to seriously address the deficit – including the bipartisan Senate Gang of Six, of which I was a member – recommended using chained CPI when indexing various federal benefit programs. However, it did so only as a part of a comprehensive deficit reduction plan that included additional tax revenue, provided important benefit improvements for programs that serve our most vulnerable, like Supplemental Security Income (SSI), and included measures to mitigate the impact on beneficiaries of means-tested programs. This is the opposite of the OMB proposal, which would put the burden of deficit reduction on large numbers of low-income people who would lose eligibility for, or receive less help from, life-saving programs.”

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## SERVICE ORGANIZATIONS

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- **United Way:** “We are writing to you today to express our concerns about the proposal to amend how the Federal Poverty Level is calculated. Under this proposal, fewer and fewer families will be eligible for assistance programs each year. More families will struggle to afford childcare, put food on the table, or cover their medical bills... The proposed changes to the inflation calculation would reduce the annual adjustments to the poverty measure and therefore exacerbate existing weaknesses, putting vulnerable working Americans at greater 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 or the true cost of living for America’s low to moderate income working households.”



- [Catholic Charities/U.S. Conference of Catholic Bishops](#): “Many of the critical federal programs used by clients of Catholic Charities and St. Vincent de Paul would be impacted by shifting from CPI-U to the C-CPI-U. The Center on Budget and Policy and Priorities estimates that 300,000 fewer low-income children will be enrolled in Medicaid and CHIP by 2029, relative to current law... A reduction in access to those vital federal programs shifts more of the burden of meeting human needs from the federal government to Catholic Charities local agencies and St. Vincent de Paul programs. In virtually every community we serve, the need for rent and utility assistance, food and nutrition, mental and other health services, and childcare already far outpaces the resources we have, so we are forced to turn people away. Our local agencies and programs will not be able to meet the increased need.”

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## RESEARCHERS AND RESEARCH ORGANIZATIONS

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- [Robert Wood Johnson Foundation](#): “Overall, we believe OMB should reject the use of alternative indices that would result in lower rates of inflation—such as the Chained Consumer Price Index for All Urban Consumers (C-CPI-U) and the Personal Consumption Expenditures Price Index (PC-EPI)—and that, in turn, would reduce poverty thresholds. First, lower estimates of inflation do not accurately reflect the changes in costs that people with low and moderate incomes actually experience, contradicting the purpose of the proposed reform. Second, lower poverty thresholds would result in fewer low-income individuals and families qualifying for critical public benefits. Notably, this comes at a time when numerous other regulatory reforms have decreased eligibility for and/or enrollment in safety net programs among people facing economic insecurity. Third, decreased access to these programs would likely result in poorer health and well-being and widening disparities by income and race. Fourth, changes to inflation adjustment overlook the more fundamental concern that current measures of poverty as a whole are outdated and inadequate, resulting in significant underestimates of people living in poverty and facing serious financial hardships.”
- [Dr. David Johnson, University of Michigan](#) (**former research economist in BLS's price index division; former Census Bureau division chief overseeing official poverty measure and the Supplemental Poverty Measure**): “As most research demonstrates, the C-CPI-U is a more accurate measure of the overall cost-of-living as the current CPI-U is based on a Laspeyres formula that is usually higher than a “true” cost-of-living index. However, using the same index for people in poverty (or even low income households) is likely to be misleading. As suggested by NAS report, *At What Price*, BLS should produce price indexes by demographic groups... Researchers at BLS have shown that inflation could differ by demographic group (see Cage et al.) Others have shown that inflation indexes for the poor or low income are higher than those for high income (for example see Kaplan and Schulhofer-Wohl (2017) and Jaravel (2017)). While the C-CPI-U is more accurate since it accounts for substitution, research shows that poor households (or households receiving government transfers) may not be able to substitute, and hence, may have lower substitution bias (see Garner et al. (1996)). Finally, the FR notice recognizes these differences in inflation rates by demographic group when discussing the CPI-E for the elderly, which rises more than the CPI-U. This suggests that a higher inflation rate for certain groups may be appropriate.”
- [Dr. Harry Holzer, Georgetown University](#): “If the federal government was undertaking a broad revision of the official poverty measure, to make it more consistent with the Supplemental measure and the National Academy guidelines, some consideration of the most appropriate price index with which to adjust for inflation would be appropriate. But doing the latter in isolation seems like an ideological or political exercise to reduce measured poverty, which then could be used to slash spending on important antipoverty programs like SNAP and Medicaid). There is therefore no justification for adjusting the price index used for measuring poverty at this time and in this manner.”

- [US Collaborative of Poverty Centers](#): “However, changing the inflation adjustor would not attend to the range of criticisms of the OPM that have emerged over the past several decades. Such concerns include whether to geographically adjust for cost-of-living differences; if resources beyond pre-tax cash income (such as in-kind benefits) should be included; whether to consider expenditures beyond food in setting the thresholds; and if the measure should reflect what families are able to consume given their resources.”

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## ADVOCACY ORGANIZATIONS

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- [Coalition on Human Needs](#): “We strongly oppose any revision of the OPM by shifting to smaller annual inflation adjustments because it will not accurately reflect the experience and hardships of low-income people... Inflation may be higher for the items actually purchased by low-income people than for the population as a whole. 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. Low-income people must spend most of their income on the most basic necessities. The combined cost of a two-bedroom apartment in a medium-cost metropolitan area and a minimally adequate diet would be \$21,000 in 2018, 84 percent of the poverty threshold for a family of four. They have little opportunity to reduce their costs for these items. The cost of rent rose 31 percent from 2008 to 2018, compared to a 17 percent increase overall for CPI-U. The Bureau of Labor Statistics created experimental cost indices made up of basic necessities (shelter, groceries, clothing, energy, and medical care), and found those items rose on average 2.99 percent per year from 1982 to 2014, faster than the 2.78 percent per year growth for all household consumer purchases.”
- [Center for American Progress](#): “Using the C-CPI-U instead of the CPI-U would decrease eligibility for numerous programs over time, preventing more and more people from accessing services that help ensure basic living standards. For example, school kids in families with income under 130 percent of the federal poverty guidelines are eligible for free meals and milk, and kids in families with income under 185 percent of the guidelines qualify for reduced-price meals and milk. Children under age 5 in “poor” families (as defined by the guidelines) qualify to participate in Head Start or Early Head Start programs, which support child development, parental support, early learning, health, and family well-being. Low-income taxpayers can get free or low-cost assistance resolving disputes with the IRS via the Low Income Taxpayer Clinic if their income is at or under 250 percent of the poverty guidelines. If the C-CPI-U is used instead of the CPI-U, the federal poverty guidelines will grow more slowly, capturing fewer and fewer people, and more people will experience hardship and insecurity due to being ineligible for services they need.”
- [Center on Law and Social Policy](#): “We strongly urge you to reject this proposed change because it would make the poverty line less accurate, leading to a less accurate understanding of the economic struggles of American families and ultimately reduced support for crucial health, nutrition, and other public benefit programs for Americans with low-incomes... Children of color—an emerging majority and crucial to the nation’s future—are the most likely among all Americans to live in poverty because of systemic inequities in access to opportunity... Because the federal poverty line is used to set the eligibility standard for many critical programs that children in poverty rely on, any changes to the method used to calculate the federal poverty line must consider how the change could exacerbate the racial disparities that already exist in health, nutrition, educational attainment, and other life outcomes for children of color... Women are more likely than men to face economic insecurity at all stages of their lives, due to ongoing employment discrimination, overrepresentation in low-wage jobs, difficulty accessing affordable and comprehensive health care, and greater responsibilities for unpaid caregiving. As a

result, women would also be disproportionately affected by any changes to the federal poverty line that affect their eligibility for basic needs programs. If women are no longer able to receive these supports, this will negatively impact not only their own wellbeing, but that of their children.”

- **National Association for the Advancement of Colored People (NAACP):** “Given the fact that the change would impact millions of low- and middle-income American people within ten years by denying them essential safety net benefits including health care, nutrition assistance, educational assistance, and help paying energy bills, we are very much opposed to the change and urge you reject the proposal. It should be stressed that the proposal merely changes the way that inflation is calculated and included in the annual increase in the poverty threshold, it does not change the living conditions of low- and moderate-income Americans. The proposal eventually eliminates the availability of millions of Americans to apply for, and receive, safety net programs that are crucial to their survival; it in no way impacts their very real needs.”
- **UnidosUS:** “Using a slower, less accurate inflation index for the OPM is effectively a benefit cut—it will cause hundreds of thousands of low-income people to lose part of or all vital supports that help them meet basic living standards... OMB should not ignore all the evidence of low-income individuals and families' spending and income patterns and simply shrink the annual inflation adjustment for the poverty measure. Far from making the annual assessment more accurate, it will make the current flaws worse. Women, children, and low-income retirees would be most adversely affected by this change. They need health care, nutrition assistance and other programs that help them meet their basic needs. Denying them benefits by making the poverty line a less accurate reflection of their circumstances is contrary to Congressional intent and the national interest. Consequently, UnidosUS urges OMB to reject any proposal to use a less accurate measure of inflation.”
- **Planned Parenthood Federation of America:** “[T]he poverty line already significantly understates what families need to get by, particularly in higher cost-of-living cities and regions, which means that lowering it further would make the OPM less accurate, causing millions of individuals, families, and communities—disproportionately women and children of color—to lose eligibility for and reduced help from critical programs, including Medicaid... households just above the official poverty line are more likely to be uninsured, and already report higher than average rates of food insecurity and difficulty paying rent and utilities. Reducing the annual rate of increase in the OPM will only increase hardships and push even more people already struggling to make ends meet over the official poverty line.”
- **Families USA:** “Replacing the Consumer Price Index for All Urban Consumers (CPI-U) with an alternative index produced by BLS or BEA would produce lower inflation estimates, hence lower OPM amounts. Instead of improving OPM’s accuracy, these alternative indexes would artificially reduce OPM amounts, limiting eligibility for need-based assistance and driving down the standard of living for low- and middle-income families in America... Relative to the CIP-U, any index that estimates a lower rate of inflation will lower the OPM poverty threshold and reduce the FPL, so fewer low-income families will qualify for the many programs that are essential to meeting their basic needs. Middle-income families will suffer as well, due to increased private health insurance costs, along with millions of seniors who rely on Medicare.”
- **Community Catalyst:** “This proposal does nothing to improve the accuracy of the poverty line it wrongly assumes that chained CPI will be a more accurate measure of poverty because it eliminates a substitution bias – this means that as prices change, peoples purchasing habits will change too. However, low income people and families don’t substitute in the same way as those with more financial resources they do not have that kind of flexibility... This effort to redefine poverty is particularly devastating because its effects worsen over time. 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. The chained CPI and the Personal Consumption Expenditures Price Index both rise more

slowly than the current measure. This would mean a lower poverty line and a gap between today's poverty line and the proposed poverty line. By changing the rate of inflation, this administration makes the poverty line further out of step with a family's needs."

- **National Partnership for Women and Families:** "Economic security is a key determinant for the quality of life for women and, by extension, their children and families. Since the federal government began calculating the poverty rate in the 1960s, women have consistently experienced higher levels of poverty compared to men... There are many factors that contribute to this persistent inequality, including the gender wage gap driven in part by gender and racial discrimination, workplace harassment, job segregation and a lack of workplace policies that support family caregiving, which is still most often performed by women... Using the chained CPI or the Personal Consumption Expenditures Price Index (PCEPI) in place of the CPI-U for calculating the poverty line will affect the HHS Poverty Guidelines. Consequently over time, this will lead to a reduction of benefits or eligibility for millions of women and families who depend on critical safety-net and federal health programs to meet their basic needs and help lift them out of poverty. Any changes made to measuring poverty must consider and address the multiple and systemic barriers to economic security that women, particularly women of color face – and not reinforce them."
- **National Women's Law Center:** "Using a slower, less accurate inflation index for the OPM is effectively a benefit cut—it will cause hundreds of thousands of low-income people to lose part or all of vital supports that help meet basic living standards... OMB should not ignore all the evidence of low-income individuals' and families' spending and income patterns and simply shrink the annual inflation adjustment for the poverty measure. Far from making the annual assessment more accurate, it will make the current flaws worse. Women, especially women with multiple marginalized identities, children, and low-income retirees would be most adversely affected by this unsupported change. They need health care, nutrition assistance, LIHEAP, Head Start, and other programs that help them meet their basic needs. Denying them benefits by making the poverty line a less accurate reflection of their circumstances is contrary to Congressional intent and the national interest."
- **Center on Budget and Policy Priorities:** "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 (PCEPI) in place of the CPI-U. We strongly urge you to reject this change. Such a change would be of highly questionable technical merit, would define down poverty in a way that masks the extent of need in the country and actually increases hardship, lacks an adequate evidence base, and has not received minimum levels of deliberation and comment... [C]onsiderable evidence suggests that prices may rise faster for low-income households than across the economy as a whole, making the proposed slower-growing inflation adjustment *less accurate* than the current inflator as an indicator of the prices paid by such households... The limited and rough analysis we have undertaken is sufficient to show that the proposal would ultimately make millions of people worse off. For example, after ten years of updating the poverty line using the chained CPI, we estimate that hundreds of thousands of people would lose eligibility for Medicaid and CHIP, the Medicare Part D Low-Income Subsidy Program, Medicare Saving Programs, and ACA financial assistance, while millions would pay higher premiums due to reduced premium tax credits. There would also be program eligibility impacts in SNAP, the National School Lunch Program, the School Breakfast Program, and the Special Supplemental Nutrition Program for Women, Infants, and Children. We strongly oppose changes that would lower eligibility for health care and basic assistance programs, worsening uninsured rates, food insecurity, and other forms of hardship."