



THE PARTNERSHIP FOR MEDICAID

June 21, 2019

Mick Mulvaney
Director, Office of Management and Budget
725 17th Street NW
Washington, DC 20503

RE: OMB–2019–0002; Consumer Inflation Measures Produced by Federal Statistical Agencies

Dear Director Mulvaney:

On behalf of the Partnership for Medicaid—a nonpartisan, nationwide coalition of health care providers, safety-net health plans, counties, and labor—the undersigned organizations appreciate the opportunity to provide stakeholder input on the Office of Management and Budget’s (OMB) request for comment on OMB–2019–0002; Consumer Inflation Measures Produced by Federal Statistical Agencies, published in the Federal Register on May 7, 2019.

The Partnership for Medicaid urges OMB not to move forward with the proposal for three reasons. First, we are deeply concerned about how it would impact access to health coverage and health care for vulnerable Americans. Second, we believe it would make poverty measurement less accurate, not more so, providing policymakers and the public with less credible information about the number and characteristics of American families struggling to get by. Finally, we are troubled that OMB would even consider moving forward with such a major change without undertaking substantial additional analysis, making that analysis public, and providing opportunities for public comment through a standard, formal rulemaking process.

Because OMB is not seeking comment on the impact of changing the Official Poverty Measure (OPM) used to adjust the federal poverty line, we are not providing comprehensive comments on that issue. However, were you to consider moving forward with a change to the thresholds that affect the poverty guidelines, it would be imperative to first 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. As organizations representing the nation’s health care safety net, we focus our comments on Medicaid and the Children’s Health Insurance Program (CHIP), which play a vital role in delivering necessary health care and other related services and supports to close to 80 million individuals, including low-income adults, children, pregnant women, seniors, people with disabilities, and people with medically complex conditions.

According to recent estimates by the Center on Budget and Policy Priorities (CBPP), more than 250,000 adults who gained coverage under the Affordable Care Act’s Medicaid expansion would lose that coverage after 10 years of implementing the Administration’s proposed alternative measures.¹ These individuals would lose coverage because the proposed policy change would

¹ Aron-Dine A, Broaddus M. Poverty line proposal would cut Medicaid, Medicare, and Premium Tax Credits, causing millions to lose or see reduced benefits over time. Center on Budget and Policy Priorities. May 22, 2019.

effectively lower the income threshold for coverage under Medicaid expansion from 138 percent to roughly 135 percent of the federal poverty line.² This change would also impact low-income parents enrolled in traditional Medicaid in non-expansion states. In addition, 22 of the 25 states that operate a Medicaid family planning program condition eligibility for the program on income in relation to the federal poverty line.³ If OMB updates the poverty measure as proposed, many thousands of women could lose access to Medicaid coverage for family planning services. This change would also negatively impact low-income seniors and people with disabilities who would lose eligibility for a Medicaid program that helps them afford their Medicare deductibles and other forms of cost-sharing. In addition, more than 150,000 seniors and people with disabilities would lose eligibility for coverage of their Medicare Part B premiums.⁴

The impact of this policy proposal on Medicaid and CHIP coverage for children would also be substantial. CBPP estimates that more than 300,000 children would be at risk of losing their Medicaid or CHIP coverage, and pregnant women would also be vulnerable.⁵ Under chained CPI, the income eligibility thresholds for these populations in the median state would drop from 255 percent to 250 percent of the federal poverty line for children and from 205 percent to 201 percent of the federal poverty line for pregnant women.⁶ Notably, the proportion of uninsured children rose to five percent in 2017, or about 300,000 more children without health coverage.⁷ The federal government should not make this situation worse by shrinking the poverty measure so fewer children and families qualify for Medicaid or CHIP. Moreover, denying these children and families access to coverage is contrary to Congressional intent and the nation's best interest.

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.^{8,9} 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.¹⁰ Further, evidence suggests that households

Available at: <https://www.cbpp.org/research/health/poverty-line-proposal-would-cut-medicaid-medicare-and-premium-tax-credits-causing>

² Ibid.

³ Guttmacher Institute. Medicaid family planning eligibility expansions. May 1, 2019. Available at: <https://www.guttmacher.org/state-policy/explore/medicaid-family-planning-eligibility-expansions>

⁴ Aron-Dine A, Broaddus M. Poverty line proposal would cut Medicaid, Medicare, and Premium Tax Credits, causing millions to lose or see reduced benefits over time. Center on Budget and Policy Priorities. May 22, 2019. Available at: <https://www.cbpp.org/research/health/poverty-line-proposal-would-cut-medicaid-medicare-and-premium-tax-credits-causing>

⁵ Ibid.

⁶ Ibid.

⁷ Park E. Trump Administration proposes to make many fewer low-income individuals and families eligible for Medicaid and CHIP over time. Georgetown University Center for Children and Families. May 9, 2019. Available at: <https://ccf.georgetown.edu/2019/05/09/trump-administration-proposes-to-make-many-fewer-low-income-individuals-and-families-eligible-for-medicaid-and-chip-over-time/>

⁸ Blank RM, Greenberg MH. Improving the measurement of poverty. Brookings Institution. December 2008. Available at: https://www.brookings.edu/wp-content/uploads/2016/06/12_poverty_measurement_blank.pdf

⁹ National Academy of Sciences. Measuring poverty: a new approach. 1995. Available at: <https://www.nap.edu/catalog/4759/measuring-poverty-a-new-approach>

¹⁰ Parrott S. Trump Administration floating changes to poverty measure that would reduce or eliminate assistance to millions of lower-income Americans. Center on Budget and Policy Priorities. May 7, 2019. Available at:

living just above the official poverty line have higher than average rates of food insecurity and difficulty paying rent and utilities. They are also more likely to be uninsured.

The Partnership for Medicaid urges OMB to not move forward with the proposed alternatives for measuring poverty in America. However, If OMB does decide to take further action, we request that you first undertake in-depth research and analysis to determine the impacts of the policy change and that you undertake a formal public comment process. If you have any questions or if the Partnership can be helpful as you consider this issue, please contact Emily Eckert at the American College of Obstetricians and Gynecologists, Regulatory Chair of the Partnership for Medicaid, at 202-863-2485 or eeckert@acog.org, or partnershipformedicaid@gmail.com.

Sincerely,

American Academy of Pediatrics
American College of Obstetricians and Gynecologists
American Dental Education Association
American Health Care Association/National Center for Assisted Living
America's Essential Hospitals
Association for Community Affiliated Plans
Association of Clinicians for the Underserved
Catholic Health Association of the United States
Children's Hospital Association
Medicaid Health Plans of America
National Association of Community Health Centers
National Association of Pediatric Nurse Practitioners
National Health Care for the Homeless Council
National Hispanic Medical Association