

NATIONAL  
HEALTH CARE  
*for the*  
HOMELESS  
COUNCIL

June 21, 2019

*Submitted via [www.regulations.gov](http://www.regulations.gov)*

Chief Statistician Nancy Potok  
Statistical and Science Policy  
Office of Information and Regulatory Affairs  
Office of Management and Budget  
Executive Office of the President

Re: Directive No. 14, "Consumer Inflation Measures Produced by Federal Statistical Agencies"

Dear Dr. Potok:

Thank you for the opportunity to comment on the Office of Management and Budget's (OMB) proposed changes to the Census Bureau's Official Poverty Measure (OPM) calculation through use of an alternative measure of inflation rather than the current Consumer Price Index for All Urban Consumers (CPI-U).

The National Health Care for the Homeless Council (NHCHC) is a membership organization representing Health Care for the Homeless (HCH) health centers and other organizations providing health care to people experiencing homelessness. Our members offer a wide range of services to include comprehensive primary care, mental health and addiction treatment, medical respite care, supportive services in housing, case management, outreach, and health education, regardless of an individual's insurance status or ability to pay. Nationally, 300 HCH programs serve over 1 million patients in 2,000+ locations across the country. We work every day to help our patients access housing, health care, and food assistance, so they can meet their basic needs and escape homelessness. For the reasons detailed below, we strongly urge OMB not to move forward with this proposed change.

***This change will increase hunger and poor health for the most vulnerable people.***

As health care providers, we directly see how federal programs such as Medicaid, Medicare, the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps), and other programs help our clients meet basic human needs—such as accessing food and health care. Eligibility for these programs is directly tied to the poverty line. Using an

alternative, lower measure of inflation to establish a new, even lower line to define poverty only means that many poor people will no longer qualify for vital programs—**it doesn't make people less poor**. Our clients experience higher rates of chronic and acute health conditions, as well as mental health and addiction disorders. These conditions are exacerbated by a lack of housing and become even more difficult to manage when patients lose health insurance and food assistance. However, we see firsthand how access to these programs prevents and ends homelessness by relieving the cost burden of food, health care, and other needs so that people can maintain stable housing and good health.

The proposed changes to the poverty inflation calculation will cut many people off vital programs that help them:<sup>1</sup>

- 250,000 seniors and people with disabilities will no longer be able to afford prescription drugs because they will lose eligibility for the Medicare Part D low income subsidy program.
- 150,000 seniors and people with disabilities will no longer be able to afford going to the doctor because they will lose eligibility for Medicare Part B premium assistance.
- 300,000 children and 250,000 adults will lose health insurance because they will no longer qualify for Medicaid or the Children's Health Insurance Program.
- 200,000 people will go hungry because they no longer qualify for SNAP.

***This change makes a flawed calculation even worse.***

While the current OPM has flaws that vastly underestimate those living in poverty, the proposed change makes it even worse. Changing from the “Consumer Price Index for All Urban Consumers” (CPI-U) to the “Chained CPI for all Urban Consumers” (C-CPI-U) or a similar index still does not account for many major household costs that low-income families incur to meet their basic needs—most notably the cost of housing. This is particularly problematic because 8.3 million very low income households spend more than half their income on rent—a situation that leaves many teetering on homelessness.<sup>2</sup> One of the key problems with the proposed C-CPI-U is that it uses a slower inflation growth over time and assumes that as prices of goods rise, individuals substitute less expensive items, thereby reducing their overall expenses. However, low-income people often cannot find substitutions for goods they need, and costs rise more rapidly for low-income households than for the population as a whole. For poor families, finding a cheaper substitute for housing and other expenses is simply not possible. The OPM does need to be changed to more accurately calculate poverty in the United States; however, any change must be

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<sup>1</sup> Center on Budget and Policy Priorities (June 18, 2019). *Administration's Poverty Line Proposal Would Cut Health, Food Assistance for Millions over Time*. Available at: <https://www.cbpp.org/research/poverty-and-inequality/administrations-poverty-line-proposal-would-cut-health-food>.

<sup>2</sup> U.S. Department of Housing and Urban Development (HUD, August 2017). *Worst Case Housing Needs, 2017 Report to Congress*. Available at: <https://www.huduser.gov/portal/sites/default/files/pdf/Worst-Case-Housing-Needs.pdf>.

done in a rational, informed way that considers the impact on consumers, uses evidence-based research practices, and includes an opportunity for public comment.

***This change undermines the Administration's priorities and does nothing to truly change poverty.***

The Administration has declared its intention to reduce HIV transmission, make prescription drugs more affordable, increase access to health care, and address the opioid crisis. All of these priorities will be undermined should low-income people be cut off from access to the very safety net programs designed to achieve these goals. Changing the measures used to calculate the poverty line does nothing to actually improve the standard of living for millions of Americans, but would result in coverage losses that backpedal progress on the Administration's stated priorities.

As a network of health care providers, individuals with the experience of homelessness, and countless others who rely on public benefit programs to survive and escape homelessness and poverty, we share the concerns and fully endorse the comments submitted by our partners. These include, but are not limited to the National Association of Community Health Centers, the Food Research and Action Center, and the Coalition on Human Needs. As detailed in their comments, changes to how the OPM is estimated will have devastating consequences to people who rely on safety net programs that meet basic human needs. OMB should abandon the current proposal to lower the inflation rate and instead fully research and evaluate the methodology behind adjusting the OPM with an opportunity for public comment.

If you would like to discuss these comments further, please contact Barbara DiPietro, PhD, Senior Director of Policy, at 443-703-1346 or at [bdipietro@nhchc.org](mailto:bdipietro@nhchc.org).

Sincerely,



G. Robert Watts  
CEO