



June 21, 2019

Nancy Potok
Chief Statistician, Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

RE: Stakeholder Comments, Directive #14

Dear Ms. Potok,

The California Collaborative for Long Term Services and Supports (CCLTSS) is comprised of 39 statewide aging and disability organizations that promote dignity, health and independence in community living. Our members include advocates, providers, labor, and health insurers, and collectively we represent millions of California seniors and people with disabilities, their caregivers, and those who provide health, human services, and housing.

CCLTSS has serious concerns about the White House Office of Management and Budget (OMB) proposal to change the inflation measure used to update the official federal poverty level (FPL). This change would severely impact older adults and those with disabilities.

Currently, the FPL is updated for inflation using the Consumer Price Index for All Urban Consumers (CPI-U). OMB's notice proposes using an alternative measure of inflation that would grow more slowly than the CPI-U. This would lower the poverty threshold making it more difficult for older adults and those with disabilities to qualify for Medicaid, Medicare Part D Extra Help, SNAP, and other basic needs programs.

The proposed change would have a significant impact in California where we have 6 million Medicare beneficiaries and 1.4 million “*dual eligibles*” (beneficiaries enrolled in both Medicare and Medicaid). Additionally, 1 in 5 California seniors lives in poverty. The proposed change would increase rates of poverty and homelessness at a time when demographic trends show that poverty levels among the most vulnerable segments of our population continue to increase. This is a time for federal proposals to strengthen economic security for older adults and those with disabilities; not a time to enact changes to the FPL calculation that would weaken and reduce access to necessary services and supports.

The established measurements of poverty are critical in ensuring people have access to needed services. Changing the FPL to chained CPI would provide less help to older adults and people with disabilities who need extra help to pay for Part D prescription drugs. If Medicare beneficiaries are not able to maintain critical access to prescription drugs, it will result in poor health outcomes and increase healthcare costs. The proposal will also deny many beneficiaries access to assistance to pay Medicare Part B premiums and other out-of-pocket Medicare costs, further compounding their ability to maintain and improve their health and making it more difficult to pay for other necessities like food and housing.

Research by universities and the US Census Bureau¹ has shown that poverty rates differ across states and regions and cannot be adequately measured without considering variations in cost of living and including living expenses not accounted for by the federal poverty measure. Poverty rates calculated using alternative poverty measures that account for these expenses are often higher than rates produced using federal poverty guidelines, for example in Texas, California, and Florida. OMB should consider how it can use changes to the FPL calculation to better reflect actual levels of poverty rather than moving towards an arbitrary change that does nothing to improve the lives and health of seniors and people with disabilities that utilize safety net programs.

In summary, the chained CPI will reduce benefits for all and have its greatest impact on those who are least able to afford lower benefits. CCLTSS requests that the OMB consider these impacts and not act at this time. We support a more robust stakeholder process and discussion and believes that the appropriate avenue for changes to the FPL calculation is to engage in a formal rulemaking process. This would allow OMB to consider all of the consequences of the changes

and make an informed policy decision that does not negatively impact millions of Californians and people throughout the United States that need access to these critical services and benefits.

Sincerely,



Amber C. Christ, JD, *Vice Chair for Policy*
California Collaborative for Long Term Services and Supports
Directing Attorney, Justice in Aging

ⁱ <http://www.nccp.org/topics/measuringpoverty.html>

<https://inequality.stanford.edu/publications/research-reports/california-poverty-measure>

<https://www.census.gov/topics/income-poverty/supplemental-poverty-measure/library/working-papers/topics/potential-changes.html>

https://ssir.org/articles/entry/beyond_the_poverty_line

<https://www.census.gov/library/working-papers/2011/demo/edwards-01.html>