



June 21, 2019

Mick Mulvaney  
Director  
Office of Management and Budget

Nancy Potok  
Chief Statistician  
Office of Management and Budget

Russell Vought  
Deputy Director  
Office of Management and Budget

Re: OMB 2019 0002 (Directive No. 14)

Dear Director Mulvaney, Deputy Director Vought, and Ms. Potok:

As the nation's oldest and largest voluntary organization dedicated to building healthier lives free from heart disease and stroke, the American Heart Association is deeply concerned that the proposed changes to the federal poverty line, if implemented, would gradually lower the measurement of inflation-impact and value of assistance over time. The proposed changes would impact a wide array of services and programs including those that affect the availability and affordability of health insurance coverage, nutrition assistance, housing assistance and eligibility for other federal assistance that support healthier lives for millions of people living in the United States.

Our nonprofit and nonpartisan organization represents the interests of

and advance evidence based policies that prevent and treat these deadly conditions. Many Americans living with serious or chronic conditions like CVD rely on federal programs for access to health care and to address food, housing, and energy security. For this reason, we urge OMB to refrain from changes that restrict an individual's ability to access critical safety net programs. Any changes made to the program, such as those being proposed here, should be undertaken through rulemaking that includes a thorough analysis of the economic and health implications for individuals and families who utilize safety net programs and a transparent public comment period.

Nancy A. Brown  
Chief Operating Officer  
Chief Science and Medical Officer



### **Accuracy of the Poverty Measure**

The current Official Poverty Measure (OPM) is based on an old formula that does not accurately or fully capture the number of individuals and families living in poverty in the United States today. As currently calculated, the OPM does not accurately reflect basic household expenses for families, and underestimates common expenses such as child care and housing.<sup>1</sup> The proposed changes to the inflation calculation would not fix the flaws with the current formula, but would reduce the annual adjustments to the poverty measure and, as a result, may exacerbate existing financial vulnerabilities, putting low income Americans — including those with serious and chronic diseases — at great 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.

### **Increasing Healthcare Costs and Reducing Access to Care**

The AHA believes that everyone living in the United States should have access to affordable health coverage to ensure needed care is received in a timely manner from an experienced provider without undue financial burden. We are concerned that the proposed changes to the OPM would drastically reduce the ability of Americans living with CVD to access and receive care.

Based on Congressional Budget Office estimates<sup>2</sup>, updating the federal poverty level using chained CPI will cause millions of people to lose their eligibility or receive fewer benefits from health coverage programs including Medicaid and the Children's Health Insurance Program (CHIP), Medicare Savings Programs, and the Medicare Part D Low Income Subsidy program, and Advance Premium Tax Credits (APTCs). If implemented, adjusting to a chained CPI inflation measurement would over time cause about six million marketplace consumers to see reductions in their premium tax credits and experience increases in their premiums.<sup>3</sup> The proposal would also eliminate eligibility for premium tax credits and cost sharing assistance for many consumers.

The Association believes that affordable coverage includes reasonable premiums and cost sharing, such as deductibles, copays and

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this proposal would do, fewer consumers will be able to afford health insurance premiums on the exchange.

**Limiting Expanded Coverage Under Medicaid**

The AHA represents over 100 million patients with cardiovascular disease (CVD) including many who rely on Medicaid as their primary source of care.<sup>4</sup>



Using the chained CPI method to determine OPM would cause hundreds of thousands of SNAP, NSLP, SBP, and WIC recipients to lose access to essential food and nutrition programs.<sup>17</sup> Decreasing eligibility to these programs would cost more money in the long run, worsen health outcomes, decrease academic success, lead to less workforce productivity, put a more onerous burden on states and the private sector, and hurt local economies.<sup>18,19,20,21</sup>

### **Conclusion**

The American Heart Association appreciates the consideration of our views regarding potential changes to how the official poverty level is determined by the federal government. While the

