

June 21, 2019

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

Re: Directive No. 14 Request for Comment on the Consumer Inflation Measures Produced by Federal Statistical Agencies

Dear Ms. Potok:

Altarum is a nonprofit consulting and research institute that creates and implements solutions to advance health of vulnerable and publicly insured populations. We are writing to encourage the Office of Management and Budget (OMB) to reconsider proposed changes to the inflation measure used to calculate the Official Poverty Measure.

Before examining changes to the proposed measure, we should first consider the existing one. The government's current method of calculating poverty guidelines is flawed in that it does not account for variation in the cost of living around the country, with the exception of Hawaii and Alaska. As such, in high cost areas, it undercounts the proportion of the population with income able to cover basic needs—the basic definition of poverty thresholds used by the federal government.

OMB proposes to use an alternative, lower measure of inflation than the traditional Consumer Price Index (CPI) to adjust the income thresholds connected to the poverty guidelines. The proposed change would worsen existing flaws, incorrectly classifying more families as being “above poverty.” As a result, more families would miss the income-eligibility cutoffs for assistance, including programs like Medicaid, the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps), Head Start, the Low Income Home Energy Assistance Program, and legal aid.



Altarum encourages OMB to examine alternative approaches to improving the Official Poverty Measure that more accurately measure the number of Americans in need of basic services and supports that are critical to better health and economic outcomes.

Sincerely,

A handwritten signature in black ink that reads "Joanne Lynn".

Joanne Lynn, MD
Director
Program to Improve Eldercare

A handwritten signature in black ink that reads "Lynn Quincy".

Lynn Quincy, MA
Director
Healthcare Value Hub