

June 21, 2019

Nancy Potok

Chief Statistician

Office of Management and Budget

Re: Request for Comment on the Consumer Inflation Measures Produced by Federal Statistical Agencies

Ms. Potok:

Thank you for the opportunity to comment on the proposal to change the version of the Consumer Price Index used to adjust the federal poverty thresholds for inflation from the Consumer Price Index for Urban Workers (CPI-U) to the Chained Consumer Price Index for Urban Workers (C-CPI-U). We are strongly opposed to the changes described in this proposal. We acknowledge the request for comment states you are not seeking comments on the impact of changing the U.S. Department of Health and Human Services (HHS) poverty guidelines, therefore we are not commenting directly on the issue. However, if you consider moving forward with a change to the thresholds that affects the guidelines, it would be imperative to first undertake in-depth research and analysis, and solicit public comments, regarding the potentially negative impact a change in the thresholds would have on low income and other vulnerable populations.

The HHS poverty guidelines are derived from the federal poverty thresholds and form part of the basis for eligibility criteria for means-tested federal safety-net programs, including those for food, housing, childcare, energy, and health insurance. Changes in the poverty guidelines can have large effects on whether specific households are determined eligible for safety-net programs, and thus the overall numbers of households eligible to receive assistance.

Children's HealthWatch is a network of pediatricians and researchers working to improve public health by conducting research that increases our understanding of how family hardships affect the health of young children (under age 4 years) and their caregivers. We use our research results to help inform public policies at all levels so those policies have greatest likelihood of improving health among families, and smallest likelihood of harming their health. Our research over the past two decades shows when families are unable to afford basic needs, including food, rent, utilities, childcare, medical care, or prescription medicines without sacrificing other expenses, the health and development of infants and toddlers is at risk. For families with low incomes, we have shown that federal assistance programs are effective for both mitigating family economic hardships and improving child and caregiver health.^{1,2,3,4}

We are very concerned about the proposed change in the consumer price index being used to adjust the federal poverty thresholds because we find no evidence that the proposed change will result in any improvements, and a great deal of evidence that it will result in serious harm to the health of hundreds of thousands of Americans of all ages.⁵ We are particularly concerned by the harm the proposed change is almost certain to do to children's health, and the long-term damage that harm will cause to Americans' workforce preparedness, and the health and well-being of communities across the nation.

There is a rich history of empirical research on the federal poverty thresholds since their adoption in the mid-1960s, and on the many consumer price indices that have been developed over the years. None of that research indicates any benefits or improvements that could result from the proposed change. Nor does that research suggest any rational reason for making the proposed change. There is considerable evidence, however, that the trend in increases in the C-CPI-U is increasingly lower over time than the comparable trend in the CPI-U, and would mechanically and artificially lead to reductions in the number of people of all ages determined to be eligible for means-tested safety-net programs over time.⁶ It is also quite clear that those reductions would bear no relationship to any changes in need for assistance, but would result purely as an artifact of the change from the CPI-U to the C-CPI-U as the index used for inflating the poverty thresholds. Thus the proposed change is certain to cause major damage to public health and the nation's well-being, and equally certain to result in no measurable benefits.

Recent research from Children's HealthWatch published in [Health Affairs](#) illustrates the potential harm reducing the federal poverty threshold may have on working families in particular and the type of impact the government should examine if a proposal to change the poverty guidelines emerges.⁷ For this study, we examined the associations between SNAP benefit reductions or cutoffs due to increased household earnings and child and caregiver health outcomes and economic hardships. We found families with young children who experienced a reduction or cutoff in SNAP benefits because of increased income were more likely to experience food insecurity and report poor health compared to families whose SNAP benefits remained consistent. This study demonstrates that even when families have incomes above eligibility limits for SNAP, which are set according to the Federal Poverty Level, they may continue to struggle to afford basic needs. Reducing the value of the threshold will only exacerbate hardships as families will face benefit reductions or cutoffs across programs at lower incomes.

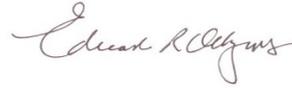
We strongly urge the administration to abandon this proposed change and to continue using the CPI-U as the price index for adjusting the poverty guidelines. The argument that changing to the C-CPI-U as the index for adjusting the poverty guidelines will make the poverty thresholds and guidelines more accurate, or improve them in any way is not supported by extant empirical evidence.⁸ Moreover, historical standards and procedures, as well as common sense, indicate research should be initiated to determine the likely effects of the proposed change. It is dangerous and unethical to proceed with this proposed change without appropriate research to determine whether the imagined benefits will in fact occur, and whether they outweigh the known costs and harms that are certain to result. The harm the proposed change is almost certain to place the lives of millions of Americans at risk of increased hardships and adverse health and is clearly not in the public interest, nor the national interest.

As pediatricians, public health professionals and policy experts, we at Children's HealthWatch find the proposed change antithetical to the health and well-being of the US population, and we oppose in the strongest terms possible its adoption. Implementing the proposed change without submitting it to accepted historical standards of publicly disclosed cost-benefit evaluation and determination would amount to abandoning the federal government's role and responsibility as protector of the public health and well-being.

Sincerely,



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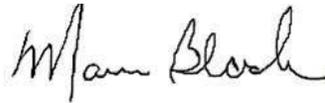
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¹ Ettinger de Cuba S, Weiss I, Pasquariello J, Schiffmiller A, Frank DA, Coleman S, Breen A, Cook J. The SNAP Vaccine: Boosting Children's Health. Children's HealthWatch, February 2012. Available at: http://childrenshealthwatch.org/wp-content/uploads/snapvaccine_report_feb12.pdf

² Gayman A, Ettinger de Cuba S, Cook JT, March EL, Coleman S. WIC Improves Child Health and School Readiness. Children's HealthWatch. January 2010. Available at: https://www.centerforhungerfreecommunities.org/sites/default/files/pdfs/wic_brief_jan10_0.pdf

³ Meyers A, Cutts D, Frank DA, Levenson S, Skalicky A, Heeren T, et al. Subsidized housing and children's nutritional status: Data from a multisite surveillance study. *Arch Pediatr Adolesc Med*, 2005;159:551-556

⁴ Frank DA, Neault NB, Skalicky A, Cook JT, Wilson JD, Levenson S, et al. Heat or Eat: The Low Income Energy Assistance Program and nutritional and health risks among children less than 3 years old. *Pediatrics*, 2006;118(5):e1293-e1302.

⁵ 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.

⁶ Aron-Dine A, Broaddus M, Neuberger Z, Sherman A. Administration's Poverty Line Proposal Would Cut Health, Food Assistance for Millions Over Time. Center on Budget and Policy Priorities. June 2019. Available at: <https://www.cbpp.org/research/poverty-and-inequality/administrations-poverty-line-proposal-would-cut-health-food>

⁷ Ettinger de Cuba S, Chilton M, Bovell-Ammon A, Knowles M, Coleman SM, Black MM, Cook JT, Cutts DB, Casey PH, Heeren TC, Frank DA. Loss of SNAP is associated with food insecurity and poor health in working families with young children. *Health Affairs*. 2019;38(5).

⁸ Sherman A, Van de Water PN. Reducing Cost-of-Living Adjustment Would Make Poverty Line a Less Accurate Measure of Basic Needs. Center on Budget and Policy Priorities; June 11, 2019.