



Statement for the Record

Subcommittee on Government Operations

"A Threat to America's Children: The Trump Administration's Proposed Changes to the Poverty Line Calculation"

February 5, 2020

Our [XX] patient and consumer organizations representing millions of individuals facing serious, acute and chronic health conditions, write today to commend the House Oversight & Investigations Subcommittee on Government Operations for examining the impact of the Official Poverty Measure (OPM) on children and patients. For many of the people we represent, their diagnoses are completely life-altering, sometimes requiring hours a day of treatment or resulting in disability that challenges the ability of individuals to pursue an education or to work steadily. As a result, these Americans often rely on assistance programs for access to health care and to address food and income insecurity for themselves and their families.

In June of 2019, our organizations provided [comments to OMB](#) in opposition to the proposed changes to the inflation calculation that would reduce the annual adjustments to the poverty measure. Currently, the OPM is based on an old formula that already does not fully capture those living in poverty and does not accurately reflect basic household expenses for families, including by underestimating child care and housing expenses.¹ The proposed changes, if finalized, would exacerbate existing shortcomings in the current calculation, putting vulnerable Americans and their families at greater risk.

Lowering the inflationary rate for the OPM could impact critical safety net programs across the board, potentially restricting access to key services that help support healthy families and children.

These OPM changes disproportionately affect children since children have higher rates of poverty than adults. By effectively raising the thresholds for eligibility, these changes in OPM will result in children losing health insurance provided through Medicaid and the Children's Health Insurance Program (CHIP). For especially vulnerable children such as those with chronic illnesses, or pregnant women, the loss of health insurance during ongoing medical care could be life threatening.

¹ National Research Council 1995. Measuring Poverty: A New Approach. Washington, DC: The National Academies Press.

Further, these changes have additional effects on health care providers, including hospitals, physicians, and community health centers; on the larger pediatric community; and on state budgets, due to an increase in the uninsured population and the volume of uncompensated care, and reduction in Medicaid or CHIP payments. In particular, these changes have implications not just for those served by Medicaid and CHIP but all children served by children's hospitals. Children's hospitals serve the majority of children on Medicaid that require hospitalization, thus increases in uncompensated care threaten the overall financial viability of these institutions.

The implications of poverty line changes for individuals who receive Affordable Care Act premium tax credits and cost sharing reductions are also deeply concerning. The OPM changes will reduce the proportion of Americans eligible for cost sharing reductions and tax credits, threatening these individuals' ability to afford their health care and maintain coverage, and threatening the coverage of their children as well. Studies show that children's coverage is closely linked to their parents' health insurance status.²

Poverty threshold changes also impact nutritional programs, which are critically important to those with chronic diseases who may have special nutritional needs and, therefore, a significant reliance on nutritional assistance. Programs such as SNAP and Special Supplemental Nutrition Program for Women, Infants and Children (WIC) provide critical nutrition to children and their families, which is critical to both managing and, in some cases, preventing chronic disease. These changes threaten critical nutrition services for pregnant women and young children through WIC, which not only provides food assistance, but also nutrition counseling, breastfeeding support and parenting support.

Our organizations appreciate the Committee's acknowledgment of our concerns, the cumulative impact of which may seriously disrupt access to health care for people and children dealing with serious and chronic illnesses. We hope that the Committee and Congress will consider further action on this important issue.

Alpha-1 Foundation
American Cancer Society Cancer Action Network
American Heart Association
American Kidney Fund
American Lung Association
Epilepsy Foundation
Hemophilia Federation of America
Leukemia & Lymphoma Society
Muscular Dystrophy Association
National Organization for Rare Disorders
National Patient Advocate Foundation
Pulmonary Hypertension Association
United Way Worldwide

² https://publichealth.gwu.edu/departments/healthpolicy/CHPR/downloads/Parental_Health_Insurance_Report.pdf