

June 12, 2019

Submitted via <u>www.regulations.gov</u>

Nancy Potok Chief Statistician Office of Management and Budget 9257 New Executive Office Building 725 17th St. NW Washington, DC 20006

Re: Directive No. 14 / OMB-2019-0002, Comments in Response to Proposed Rulemaking: Consumer Inflation Measures Produced by Federal Statistical Agencies

Dear Ms. Potok:

On behalf of the Southeast Asia Resource Action Center (SEARAC), we offer comments in response to the recently released OMB Directive No. 14: "Consumer Inflation Measures Produced by Federal Statistical Agencies." We strongly urge OMB to withdraw its current proposal, as it will greatly harm the ability for many low-income families from accessing a wide array of critical government programs they need to survive by narrowing how the poverty threshold is defined. As an organization dedicated to the civil rights of Southeast Asian refugee communities from Laos, Cambodia, and Vietnam, SEARAC is very concerned about the impact that this proposed change would have on the most vulnerable low-income and older Americans.

Southeast Asian Americans (SEAA) total nearly 2.7 million across the nation¹ and are active community members contributing to the fabric of our society. The majority of our community members have resided here for decades and now call America home; many have become naturalized US citizens and lawful permanent residents. SEAAs are also the largest refugee community ever to resettle in the United States, relocating to this country due to the US-backed war in their homeland. As survivors of war, genocide, and intergenerational trauma, SEAAs have faced unique barriers that started upon initial resettlement and have continued to impact generations today. According to American

<sup>&</sup>lt;sup>1</sup> American Community Survey (ACS) - U.S. Census Bureau, 2013 3-year estimates

Community Survey (ACS) data, 11% of Lao families, 13% of Vietnamese families, 14.9% of Cambodian families, and 16.3% of Hmong families still live below the poverty line.<sup>2</sup>

We understand that you are not seeking comment on the impact of changing the Dept. of Health and Human Services poverty guidelines, so this comment does not reflect that issue. However, a change to the thresholds that impact those guidelines will have programmatic effects across many areas that impact aging and the ability of low-income families in our communities to survive. Changes of this magnitude must not be undertaken without in-depth research and analysis and an opportunity for public comment on the impact of those changes.

A few of the programs utilized by vulnerable older and low-income Americans that would be impacted by OMB's proposal are outlined below. In addition to the concerns that would be shared by older and low-income individuals of all backgrounds, we know that the communities served by SEARAC face additional barriers to accessing these programs and services, so the impacts would be disproportionately felt by our constituencies.

## Medicaid

SEARAC is concerned that smaller annual adjustments to the federal poverty line, the income eligibility limits for Medicaid will be lower than they otherwise would be in any given year, with the reductions growing larger over time. Therefore, this proposal is effectively imposing an automatic cut to Medicaid eligibility, with the magnitude of the cut becoming sharper each year. **This would harm the 31.3% of Lao, 31.6% of Vietnamese, 36.2% of Cambodian, and 41.3% of Hmong individuals who currently depend on Medicaid to survive.**<sup>3</sup>

Similarly, Medicaid expansion in 37 states and Washington, D.C. has resulted in increased healthcare coverage for millions of adults with incomes below the income-eligibility cutoffs, including older adults who are not yet eligible for Medicare. Shrinking the inflation adjustment for the poverty measure will undo some of this progress, causing more.

## **Supplemental Nutrition Assistance Program (SNAP)**

In the United States, 4.9 million people age 60 and older are food insecure, which equates to 1 in every 12 older adults, according to a 2016 report by Feeding America. For people below 185 percent of the poverty line, more than 30 percent were food insecure. We should not be increasing the number of households that do not qualify for SNAP assistance when so many beyond even the current guidelines find it difficult to afford an adequate diet. According to ACS data, 11% of Vietnamese, 14.3% of Lao, 17.7% of Cambodian, and 24% of Hmong community members access SNAP in

<sup>&</sup>lt;sup>2</sup> American Community Survey (ACS) - U.S. Census Bureau, 2017 1-year estimates

<sup>&</sup>lt;sup>3</sup> American Community Survey (ACS) - U.S. Census Bureau, 2017 1-year estimates

**order to feed themselves and their families.** This proposed rule would diminish these numbers greatly.

We know that households just above the official poverty line report higher than average rates of food insecurity and difficulty paying rent and utilities. They are more likely to be uninsured. These facts suggest that shrinking the annual rate of increase in the Official Poverty Measure will artificially push people over the poverty line even though they struggle to make ends meet. Such a change would be unsupported by the evidence, and would have unfortunate impact of increasing hardships for people who work at low and volatile wages, and for retirees whose earnings were never high and who were unable to build adequate savings.

OMB should not ignore all the evidence of low-income worker and retiree spending and income patterns and simply shrink the annual inflation adjustment for the poverty measure. Far from making the annual assessment more accurate, it will make the current flaws worse. Older adults and low-income families need programs such as Medicaid, Medicare Part D prescription drug subsidies, SNAP, LIHEAP, and Weatherization. Denying us benefits by making the poverty line a less accurate reflection of our circumstances is contrary to Congressional intent and the national interest.

The implementation of this proposed rule will surely drive up poverty, hunger, unmet health care needs, and worsen a range of other problems facing many low-income communities of color and elders across the United States. For the reasons discussed above, we strongly urge OMB to withdraw its proposal to change how the poverty threshold is computed to narrow its scope. Thank you very much for your time and consideration. If you have questions about the comments provided above, you can reach me at <a href="mailto:quyen@searac.org">quyen@searac.org</a> or 202-601-2968,

Sincerely,

Quyen Dinh

**Executive Director** 

**SEARAC**