ANDREW M. CUOMO
Governor

HOWARD A. ZUCKER, M.D., J.D.
Commissioner

SALLY DRESLIN, M.S., R.N.
Executive Deputy Commissioner

New York State Department of Health
Comments in Response to Office of Management and Budget's Notice of Solicitation

I. EXECUTIVE SUMMARY

The New York State Department of Health (NYSDOH) strongly opposes changing the consumer price index used to estimate the Official Poverty Measure (OPM) to one of the indexes outlined by the Office of Management and Budget (OMB) in its May 7, 2019 Notice of Solicitation of Comments.[1] NYSDOH agrees that the Consumer Price Index for All Urban Consumers (CPI-U), the current index used to estimate OPM, deserves to be reassessed, particularly to determine its ability to account for inflation experienced by low-income individuals and households. Nevertheless, the consumer price indexes discussed in OMB's Notice of Solicitation of Comments are inadequate replacements for the CPI-U.

The CPI-U tends to show higher inflation rates than the other indexes discussed in the Notice of Solicitation of Comments, including the Chained Consumer Price Index for All Urban Consumers (C-CPI-U) and the Personal Consumption Expenditures Price Index (PCEPI).[2] Although on average they differ from the currently-used CPI-U by 0.2 to 0.3 percentage points every month, over time their cumulative effect may be significant. Unlike the CPI-U, the data required to update the C-CPI-U lags two years and therefore does not necessarily reflect actual inflation while individuals will be receiving benefits.[3] Researchers have already suggested that the OPM insufficiently accounts for the costs low-income families face. Adopting a lower index for growing the OPM would only serve to exacerbate that discrepancy. Further, pegging the OPM to indexes with lower inflation rates will correspondingly lower the federal poverty level (FPL) guidelines, which is particularly concerning to NYSDOH given the impact on eligibility for programs that use the poverty guidelines.

NYSDOH administers many programs that base eligibility on the poverty guidelines, such as parts of Medicaid; the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); and portions of the Child and Adult Care Food Program (CACFP).[4] Employing these other indexes—and in particular the C-CPI-U and the PCEPI—and the corresponding

---

[1] Request for Comment on the Consumer Inflation Measures Produced by Federal Statistical Agencies, 84 Fed. Reg. 19961 (published May 7, 2019).
[2] Aron-Dine, Aviva and Broaddus, Matt, "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, p. 2.
[3] Congressional Budget Office. Testimony of Jeffrey Kling, Associate Director for Economic Analysis. "Using the Chained CPI to Index Social Security, Other Federal Programs, and the Tax Code for Inflation." (April 18, 2013). p. 8. https://www.cbo.gov/sites/default/files/113th-congress-2013-2014/reports/04-18-ChainedCPI-One-Column.pdf
[4] U.S. Department of Health & Human Services. *What programs use the poverty guidelines?* https://www.hhs.gov/answers/hhs-administrative/what-programs-use-the-poverty-guidelines/index.html

effect they would have on the poverty guidelines, therefore risks reducing New Yorkers' eligibility for crucial health insurance and other healthcare programs.

These reductions of benefits would have far-reaching health consequences throughout the State of New York. New York's residents would be adversely affected by:

- Deteriorating overall health;
- Decreased access to care;
- Increased uninsurance rates;
- Increased cost-shifting; and
- Barriers to care for at-risk populations, including HIV-positive individuals and those at higher risk of cancer.

In addition, New York's health care providers would be affected by reversing reductions in uncompensated care, and the State would be negatively impacted by increased public health concerns.

For these reasons, discussed in further depth below, we urge OMB not to recommend the use of any of the alternative consumer price indexes set forth in its May 7, 2019 Notice of Solicitation of Comments.

II. SPECIFIC IMPACTS CAUSED BY A CHANGE IN THE CONSUMER PRICE INDEX USED TO ADJUST THE OPM

A. Health Insurance Impacts

1. Overview of Health Insurance Programs Affected by OPM Changes

Nearly 8 million New Yorkers are covered through Medicaid, Child Health Plus (CHP), or the Essential Plan (EP), or through private health insurance products known as Qualified Health Plans (QHPs). QHPs are purchased through NY State of Health (NYSOH), the State's Official Health Plan Marketplace. Eligibility for each of these programs is based on the federal poverty guidelines. As a result, any changes to the OPM, on which the federal poverty guidelines are based, will affect eligibility for these health insurance programs and the many New Yorkers who benefit under them.

Medicaid provides comprehensive health coverage to 6,243,498 low-income New Yorkers whose income and/or resources are below certain levels.[5] Eligible populations include children, pregnant women, single individuals, families, and individuals certified blind or disabled. In addition, persons with medical bills may be eligible for Medicaid even if their income and resources are above the allowable Medicaid income levels. Medicaid enrollees do not pay premiums and have little to no out-of-pocket costs for many services. Medicaid is an important source of primary health insurance coverage and supplementary coverage for low-income residents and the most vulnerable New Yorkers. Even before the Affordable Care Act (ACA),

---

[5] Statistics are current for New York's 2019 Fiscal Year (April 1, 2019 through March 31, 2020). *See* Cuomo, A., Mujica, R. (2019). *FY 2020 Enacted Budget Financial Plan*. https://www.budget.ny.gov/pubs/archive/fy20/enac/fy20fp-en.pdf

New York has been a leader in making health care services accessible to low-income residents through Medicaid expansion permitted under Section 1115 federal waivers.

The Essential Plan (EP), authorized by the Basic Health Program (BHP) provision of the ACA, covers 790,152 New Yorkers who are not eligible for Medicaid and have incomes up to 200 percent of the federal poverty level (FPL) (approximately $24,280 for an individual or $50,200 for a household of four).[6] Launched in 2016, EP lowers monthly premiums to $20 or $0 and provides comprehensive benefits with no annual deductibles, free preventive care, and low copayments.

Child Health Plus (CHP) provides comprehensive coverage to 417,753 children.[7] CHP eligibility begins where Medicaid eligibility ends (223 percent of FPL for children under 1 year and 154 percent of FPL for children over 1 year). There is no CHP premium for children in households with incomes below 160 percent of FPL, and a sliding scale premium for those in households with incomes between 160 and 400 percent of FPL. Households with incomes above 400 percent of FPL have the option to purchase CHP or QHP coverage at full premium. 95 percent of children enrolled in CHP are enrolled with no premium or sliding scale premiums, and 5 percent are enrolled with full premiums.

Qualified Health Plans (QHPs) are a type of private health insurance product available through NY State of Health. As of January 31, 2019, there are 271,873 New Yorkers enrolled in QHPs.[8] More than half (58 percent) receive financial assistance to lower the cost of their coverage. Enrollment in a QHP with financial assistance is available for individuals who earn too much to be eligible for EP, but have a household income at or below 400 percent of FPL (approximately $48,560 for an individual and $100,400 for a family of 4), and do not have access to other affordable health insurance that meets minimum standards.

2. *Changes to the OPM Risk Losing the Advancements Made in Insurance Coverage*

In 2013, at NY State of Health's inception, the uninsured rate in New York was 10 percent. This rate has been reduced to 4.7 percent due to the gains in coverage made through NY State of Health, including the aforementioned insurance programs. Using the C-CPI-U or PCEPI inflation measures to adjust the OPM, and the concomitant effect that it would have on the federal poverty guidelines, could reverse these gains in insurance coverage. By design, the populations who will be most impacted by the changes contemplated in the Notice of Solicitation of Comments are individuals with very low incomes who stand to lose eligibility for public programs, including Medicaid, Child Health Plus, the Essential Plan, or federal tax credits toward QHPs.

It is widely acknowledged by economists that lower income populations exhibit a high level of

---

[6] Statistics are current from January 31, 2018 through January 31, 2019. *See* New York State of Health. (2019). *2019 Open Enrollment Report*. https://info.nystateofhealth.ny.gov/sites/default/files/NYSOH%202019%20Open%20Enrollment%20Report_0.pdf
[7] Statistics are current from January 31, 2018 through January 31, 2019. *See id.*
[8] *Id.*

price sensitivity when making the decision of whether to enroll in health insurance coverage.[9] New York's launch of EP in 2016 demonstrates that experience clearly. The population eligible for EP includes New Yorkers under 65 with household incomes between 138 and 200 percent of FPL who were previously eligible only for a QHP with financial assistance. As noted above, compared to a QHP, EP reduces both premium and out-of-pocket costs for enrollees significantly (approximately $1,485 a year), saving New Yorkers an estimated $719 million a year. The markedly lower premiums and cost-sharing in EP relative to QHP has resulted in significantly higher enrollment levels. In 2015, before the launch of EP, nearly 166,000 New Yorkers with incomes above 138 up to 200 percent of FPL were enrolled in coverage. In 2019, three years after the state launched EP, more than 484,000 in the same income range are enrolled in coverage—nearly triple the number of people enrolled in 2015.

Although coverage levels increased when individuals became eligible for EP, as compared to when such individuals were eligible only for a QHP (which has much higher premiums and cost-sharing), NYSOH anticipates that the inverse will be true if very low-income New Yorkers get significantly less financial assistance due to the change in the OPM. For those enrolled in QHPs with financial assistance, any reduction in a tax household's income will directly result in less premium tax credits to offset the cost of coverage. All QHP enrollees (nearly 160,000) who currently receive tax credits to offset the cost of coverage will receive less tax credit. Given the demonstrated price sensitivity of lower income populations, these low-income individuals are expected to drop their coverage and become uninsured, which will negatively affect the financial security of these households as well as that of the health care system as a whole.

Furthermore, there are two affordability cliffs – at 201 percent of FPL and 401 percent of FPL – where EP and premium tax credits phase out, respectively. More than one third of the uninsured who are eligible for coverage have incomes between 200 to 400 percent of FPL. Individuals with incomes up to 200 percent of FPL pay $20 per month for EP coverage with no deductible and relatively low cost-sharing on services, while those at 201 percent of FPL are required to pay at least $134/month for an individual or $276/month for a family of four if they purchase the second-lowest cost silver plan in their county, as well as meet the deductible of $1,100. Similarly, federal tax credits phase out at 400 percent of FPL and individuals with income above 400 percent of FPL are not eligible for any financial assistance toward coverage.

These cliffs strongly correlate to relatively lower take-up rates in QHPs than EP: 56 percent versus 92 percent. The changes contemplated in the Notice of Solicitation of Comments would serve to exacerbate the effects of these affordability cliffs and lower program participation rates.

---

[9] Finkelstein, A., et al. 2019. "Subsidizing Health Insurance for Low-Income Adults: Evidence from Massachusetts." American Economic Review 109, available online at https://www.aeaweb.org/articles?id=10.1257/aer.20171455 (Finding: "About 25% of the low- income eligible population drop coverage in response to a $40 increase monthly enrollee premiums. As an individual's cost of buying insurance rises from $0 to $116 per month, we estimate that take-up falls from nearly complete [94%] to less than half [44%]").

B. Nutrition Assistance Impacts

1. Overview of Nutrition Programs Affected by OPM Changes

The federal poverty guidelines are used to determine eligibility for several NYSDOH nutrition programs, including the Special Supplemental Nutrition Assistance Program for Women, Infants and Children (WIC), the Child and Adult Care Food Program (CACFP), the Commodity Supplemental Food Program (CSFP), and the Farmers' Market Nutrition Program (FMNP). As the federal guidelines are based on the OPM, any changes to the OPM will affect eligibility for these vital nutrition programs.

WIC supports a current monthly caseload of approximately 380,000 individuals and provides supplemental nutritious foods, nutrition education, breastfeeding support and health and social service referrals to prenatal and postpartum women, infants and children up to age five who are at nutritional risk with household incomes at or below 185% FPL.

CACFP is a federal entitlement program which provides reimbursement for nutritious meals and snacks to participating child and adult care centers and homes. In federal FY 2017, New York received nearly $250 million in federal nutrition funds for CACFP. Participating centers are eligible because they are located in low-income communities, others are reimbursed based on the percentage of children eligible for free (130% of FPL) or reduced-price meals (185% of FPL). The most recent average daily attendance for participating day care centers and homes is 370,000, with approximately 85% (315,000) eligible for free or reduced cost meals.

CSFP supports a current monthly caseload of approximately 33,000 individuals and provides supplemental foods to eligible individuals over the age of 60 with household incomes at or below 130% FPL.

FMNP provides coupons for fresh, unprepared, locally-grown fruits, vegetables and herbs to individuals certified to receive CSFP and WIC program benefits. This summer, FMNP coupons will be distributed to 340,000 participants.

2. Changes to the OPM will Reduce Low-Income New Yorkers' Access to Healthy Foods

As outlined above, the CPI-U tends to show higher inflation rates than the other indexes discussed in the Notice of Solicitation of Comments. For example, from January 2001 to January 2018, the OPM for a family of two adults and two children increased by 41.79 percent. In contrast, when using PCEPI to measure inflation, the OPM increased by only 35.73 percent during that same period. The underestimation by the PECPI translates into a 6-percentage-point difference relative to the currently-used CPI-U. The relatively lower cumulative increase in the PCEPI-derived inflation would in turn have meant that the OPM for a family of two adults and two children would fall below the 2018 household size-adjusted level of $25,465 by at least $1,000.

Any reduction in the OPM, as would occur under the PCEPI model, is expected to lead to a decrease of eligible individuals for WIC, CACFP, and CSFP. For example, under the current model, a family of four (with two adults and two children) is eligible for WIC provided that their household income is at or below $47,110 (under 2018-2019 income eligibility rules). Under the OPM derived using the PCEPI inflation measure, the same family would be eligible for WIC only if their household income is at or below $45,260.

According to the Centers for Disease Control and Prevention (CDC), seven of the ten leading causes of death in the United States are linked to poor diets.[10] By reducing the number of individuals eligible for nutrition programs, fewer New Yorkers will have access to healthy, nutritious foods, putting them at risk for adverse health consequences.

C. Impacts to At-Risk Populations: Those Living with Cancer and HIV

1. Overview of HIV and Cancer Programs Affected by OPM Changes

Adjusting the OPM using the C-CPI-U or PCEPI inflation measures is expected to reduce federal poverty guidelines over time, which would reduce access to important programs benefitting vulnerable populations, including those living with HIV and those with increased risk of cancer. These programs, which rely on the federal poverty guidelines for eligibility purposes, include:

The NYSDOH AIDS Institute Uninsured Care Programs (UCP), which provide medications, health care, and insurance assistance to persons living with and at risk for HIV who are uninsured or underinsured. The UCP recently updated its income criteria to 500% of FPL to increase access to care.

The AIDS Institute Ryan White Part B Grant Funds, which provide supportive services for persons living with HIV, including linkage and retention in care, treatment adherence, case management, housing, nutrition, transportation, and psychosocial support.

Medicaid Redesign Team (MRT) Housing Contracts, which are managed by the AIDS Institute, and serve high-need Medicaid recipients living with HIV. Eligibility is tied to the poverty guidelines, as consumers must be eligible for Medicaid.

New York State Medicaid Program for Persons with HIV, which assists approximately 67,000 New Yorkers living with HIV by allowing them to receive their health care and other support services through the Medicaid program.

The NYS Cancer Services Program, which is a network of 22 Cancer Screening Program (CSP) contractors covering every county of the state. Each CSP contractor is charged with establishing a network of participating providers and implementing a program to facilitate access to high-quality breast, cervical and colorectal cancer screening and diagnostic follow-up services for residents within their service regions, with a focus on those without health insurance and

---

[10] Centers for Disease Control and Prevention. (2014). *CDC National Health Report: Leading Causes of Morbidity and Mortality and Associated Behavioral Risk and Protective Factors—United States, 2005–2013.* https://www.cdc.gov/mmwr/preview/mmwrhtml/su6304a2.htm

disproportionately burdened by the increased risk of cancer. If those screened through the program are diagnosed with cancer, the CSP contractors also assist eligible individuals (250% of FPL) to obtain prompt, comprehensive treatment through the NYS Medicaid Cancer Treatment Program. From April 1, 2017 through March 31, 2018, over 26,000 eligible women and men were screened for breast, cervical and/or colorectal cancer through the CSP. Over the course of this same 12-month period, the CSP enrolled 215 individuals diagnosed with cancer by the program into the Medicaid Cancer Treatment Program.

2. *Changes to the OPM will Reduce Access to HIV and Cancer Programs*

A change to the OPM, and the resulting impact on the federal poverty guidelines, is expected to negatively affect New Yorkers' access to HIV and cancer programs, thus putting vulnerable populations at risk. The UCP is expected to experience significant impacts, both on an administrative level and eligibility level. A reduction in the federal poverty guidelines would likely decrease access to the UCP for individuals who have limited or no other options for health insurance. Meanwhile, those individuals who have lost Medicaid coverage due to changes in the OPM and poverty guidelines may increase their enrollment in the UCP. The UCP is also expected to face higher costs due to a decrease in the federal poverty guidelines. Specifically, the UCP will have to pay higher premiums for an individual's drug coverage and will see increased expenditures due to higher out of pocket costs for prescription drugs for seniors and people with disabilities who are no longer eligible for or may receive less help from Medicare's Part D Low-Income Subsidy Program. The UCP will also see increased expenditures due to higher deductibles and out of pocket expenses for individuals who no longer qualify for reduced cost-sharing assistance when they purchase a plan through the NYSOH Marketplace. Finally, the UCP will pay higher premiums for individuals who will no longer be eligible for the Advance Premium Tax Credit (APTC) and individuals who lose coverage under the Essential Plan. Overall, the UCP will see increased costs, and access to care for uninsured persons with HIV will be reduced.

Reducing the federal poverty guidelines would also diminish supportive services for those living with HIV. Fewer individuals are expected to be eligible for MRT housing assistance, and some currently housed individuals could lose eligibility, putting HIV-positive individuals at risk of living in unstable housing or becoming homelessness. NYSDOH also expects greater demand for Ryan White-funded services as people lose eligibility for assistance through other programs. However, fewer people will be eligible for essential Ryan White-funded services, and some current program clients could become ineligible for services and be terminated. Among other things, Ryan White-funded services support linkage to care and treatment and viral suppression, which are shown to improve health outcomes and prevent HIV transmission. Therefore, the adverse health consequences would be significant for this population.

As discussed in more detail above, changes to the methodology for calculating the impact of inflation could affect Medicaid eligibility. As relevant here, reduced Medicaid eligibility would prevent HIV-positive New Yorkers from receiving life-saving healthcare and prescription drugs. Shifts in Medicaid coverage would result in increased burden on state and federal programs such as the Ryan White HIV/AIDS Program. People ineligible for Medicaid would likely look to these other lower-eligibility threshold programs as a safety net for healthcare coverage.

However, fewer medical providers are willing to treat individuals covered by these programs because of low reimbursement rates. Consequently, at-risk New Yorkers living with HIV may forego health insurance completely or have insufficient health coverage, which would reduce health outcomes.

Finally, a change to the OPM, and therefore the poverty guidelines, would impact New Yorkers' access to cancer screening services offered through the NYS Cancer Services Program. In addition to providing screening services, eligible individuals diagnosed with cancer can receive treatment through the NYS Medicaid Cancer Treatment Program. Reducing eligibility for this program puts lower-income individuals without health insurance and those individuals disproportionately burdened by the increased risk of cancer at greater risk of prolonging diagnosis and treatment.

3. Changes to the OPM will Contribute to the HIV, Hepatitis C, STI, and Opioid Epidemics

As detailed above, a change in the federal poverty guidelines will put safety net assistance programs increasingly out of reach, which NYSDOH expects will contribute to the HIV, hepatitis C, STI, and opioid epidemics. New York has made great strides toward ending the AIDS and hepatitis C epidemic in the state, but by reducing access to important HIV programs, a change to the OPM inflation measure risks rolling back these advancements.

As part of the 2019 State of the Union address, President Trump announced a ten-year plan to end the HIV epidemic in the United States,[11] and in April 2019, President Trump declared the federal government's commitment to ending the opioid crisis "once and for all."[12] Contrary to these commitments, using either the C-CPI-U or PCEPI inflation measures (and the resulting effect on the poverty guidelines) risks reducing access to care and treatment, increasing survival behaviors such as transactional sex and substance use, and increasing disease transmission. A change in the federal poverty guidelines will therefore harm people living with and at risk for HIV, hepatitis C, STIs, and opioid use disorder; threaten public health; and undermine New York's approach to combating HIV/AIDS and hepatitis C.

III. OVERALL HEALTH IMPACTS CAUSED BY A CHANGE IN THE CONSUMER PRICE INDEX USED TO ADJUST THE OPM

Overall, using an inflation measure that would reduce the OPM, and therefore the poverty guidelines, will have significant impacts on New Yorkers, health care providers, and the State of New York by reducing New Yorkers' access to affordable healthcare and the crucial benefits discussed above.

1. Impact on New Yorkers

---

[11] U.S. Health Resources and Service Administration. *Ending the HIV Epidemic: A Plan for America.* https://www.hrsa.gov/ending-hiv-epidemic

[12] Trump, Donald J. "Remarks at Rx Drug Abuse and Heroin Summit." Hyatt Regency, Atlanta, Georgia. 24 April 2019. https://www.whitehouse.gov/briefings-statements/remarks-president-trump-rx-drug-abuse-heroin-summit-atlanta-ga/

Diminish the overall health of the population. Using an inflation measure that would reduce the OPM, and therefore the poverty guidelines, is expected to reduce eligibility for health insurance programs, including Medicaid, CHP, EP, and QHPs. By reducing health insurance enrollment, fewer individuals will be able to seek the care they need, potentially leading to more acute and costly conditions in the future. Having health insurance increases the likelihood of people having both a usual source of care and access to care when they need it, and it improves the chance that patients will receive recommended and potentially life-saving care.[13] Studies have also shown that expanded Medicaid is associated with positive outcomes including lower mortality rates, higher cancer detection rates, and lower infant mortality rates.[14] Any poverty measure that reduces access to healthcare will worsen the overall health of many New Yorkers. The effects on vulnerable populations, including those living with HIV and at higher risk of cancer, will be particularly significant, as these populations are expected to have reduced access to specialized healthcare programs if the C-CPI-U or PCEPI inflation measures are used.

Increase cost-shifting of health care costs. Using an inflation measure that would reduce the OPM, and therefore the poverty guidelines, is expected to reduce access to certain health insurance programs, which will reduce overall access to health care and increase the financial burden borne by the insured, the hospitals, and state and local governments. It is well documented that stripping individuals of their access to health care does not reduce their health care needs, and individuals without coverage still need and receive care. However, without primary and preventative care, and with no way to pay for the care received, those costs are shifted to the insured, hospitals, and state and local governments.[15]

2. *Impact on Health Care Providers*

Reverse recent reductions in uncompensated care. Any change to the federal poverty guidelines that would reduce eligibility for Medicaid, CHP, EP, and a QHP will risk increasing the number of uninsured New Yorkers, which in turn increases the fiscal and human costs of uncompensated care across the state. Since implementation of the ACA, New York has drastically decreased the number of uninsured people in the State. New York hospitals have reported a dramatic decrease in self-pay hospital utilization because patients have gained insurance – a usual source of payment. New York State Institutional Costs Reports show a 23% reduction in self-pay hospital emergency room visits, a 40% reduction in self-pay inpatient services, and a 17% reduction in self-pay outpatient visits. Having a usual source of payment for patients reduces the risk of uncompensated care costs.[16] Changing the OPM endangers the sources of payment—Medicaid, CHP, EP, and a QHP—and therefore risks losing the benefits that stem from having a reliable source of payment for healthcare.

---

[13] Baicker, Katherine, et al. 2013. "The Oregon Experiment – Effects of Medicaid on Clinical Outcomes." New England Journal of Medicine 368, no. 18: 1713-1722. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3701298/

[14] Antonisse, L., et al. "The effects of Medicaid Expansion under the ACA: Updated Findings from a Literature Review." San Francisco (CA): Henry J. Kaiser Family Foundation; 2018 Mar. https://www.kff.org/medicaid/issue-brief/the-effects-of-medicaid-expansion-under-the-aca-updated-findings-from-a-literature-review-march-2018/

[15] Coughlin, Teresa A. "Uncompensated Care for the Uninsured in 2013: A Detailed Examination." (2014). https://www.kff.org/uninsured/report/uncompensated-care-for-the-uninsured-in-2013-a-detailed-examination/

[16] Declaration of Dr. Howard A. Zucker, ISO Motion to Intervene of State of California, et al. (18-cv-167), April 6, 2018.

3. Impact on the State

Increase in public health concerns. Changing the federal poverty guidelines to reduce eligibility for Medicaid, CHP, EP, and a QHP would result in increased public health concerns for the state. Given the high level of price sensitivity when making the decision of whether to enroll in health insurance coverage, NYSDOH anticipates that many low-income individuals who are no longer eligible for lower-cost health insurance plans, like Medicaid or EP, will drop their coverage and become uninsured. A greater number of uninsured individuals can put the entire population of New York at risk. For example, if immunizations are skipped the spread of communicable diseases can rise. Additionally, as addressed more fully above, a change to the OPM (and therefore the federal poverty guidelines) will affect the strides New York has made toward combating the spread of HIV and hepatitis C.

IV. CONCLUSION AND RECOMMENDATIONS

Neither the currently-used CPI-U nor the other measures referenced by OMB are adequate measures of inflation, insofar as these models fail to account for the full costs of living, particularly for low-income populations. All of these measures exclude important costs relating to housing, transportation, health care, clothing, child care, and tax liabilities, for instance. The CPI-U, C-CPI-U, and PCEPI also do not account for geographic variation in the cost of living, which is especially punitive to states like New York that have large urban populations, and high cost of living.

Accordingly, while NYSDOH agrees that the use of the CPI-U to adjust the OPM should be reassessed to account for other costs of living, the consumer price indexes discussed in OMB's Notice of Solicitation are poor replacements that can have devastating consequences on access to public benefits and health insurance. Because the C-CPI-U and the PCEPI tend to result in lower inflation rates than the currently-used CPI-U, over time their cumulative effect on the OPM—and, consequently, the federal poverty guidelines—will impact health in New York State significantly. Reducing how many New Yorkers qualify for low-cost health insurance as well as vital health benefit programs will have widespread health consequences on individuals, health care providers, and the state itself.