

June 18, 2019

Take Action Against Federal Proposal That Could Threaten Health Care and Food Access

Every year, eligibility for programs including Medicaid, CHIP, Affordable Care Act insurance premium subsidies, SNAP, and school meals is determined relative to the federal poverty line. That measure is adjusted annually for inflation in order to account for the rising cost of living. However, the Office of Management and Budget (OMB) is now considering changes to the way inflation is calculated. This potential shift in the inflation measure means it may increase more slowly over time, essentially lowering the federal poverty line. If implemented, fewer people would be eligible for assistance, because their incomes would be higher than the allowable guidelines. Over time, thousands of people in Virginia would be affected, including children, seniors, people with disabilities, and others with low incomes. This loss in assistance could have an outsized impact on people of color who are overrepresented in poverty due to historical and present-day inequalities in income, education, and generational wealth.

The poverty line is already below what is needed to lead a healthy life and raise a family, as shown by the high rates of hardship among families with incomes just above the poverty line. Among non-elderly adults with income between the poverty line (\$12,490 for a single adult) and twice the poverty line (\$24,980 for a single adult), over 60% reported one or more material hardships such as food insecurity, missed payments for utility bills or rent or mortgage, or problems paying family medical bills, according to a 2017 Urban Institute survey. For those living at or below the poverty line, hardships may be even more significant.

The rising cost of living in Virginia has already created challenges for families with low and moderate incomes. On average in Virginia, the living wage for a single adult is almost 2.5 times more than the federal poverty limit. In Fairfax County -- the most populated locality in the state of Virginia -- the living wage is almost a full 3 times more than what the current standard is for poverty due to the high cost of living in the area. In fiscal year 2019, the lowest fair market rent for an efficiency apartment in any ZIP code in Fairfax County is \$1,170 a month, according to the U.S. Department of Housing and Urban Development. Annualized, that's \$14,040 a year -- well above the poverty threshold of \$12,490 for a single person. These numbers show that the current poverty guidelines are extremely low given the needs of families with low incomes, and this proposal could put more families in hardship.

Virginia expanded Medicaid eligibility less than a year ago, and a portion of the over 290,000 adults enrolled could lose health coverage if this proposal is implemented. Coverage loss could be catastrophic to many individuals managing long-term

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illnesses throughout the state and will cause many who lose coverage to seek medical treatment in emergency room settings, which will be a greater cost to the state in the form of indigent care. Access to health coverage for children via CHIP and adults through ACA insurance subsidies and Medicaid will be threatened for many if this proposal becomes a reality because the threshold for eligibility will be lower. In addition, access to free or reduced-price school lunch and food assistance through SNAP could be restricted and affect children across the state. It is critical for us to take action and share our concerns with the OMB about the potential dangers of this proposed change. Take a moment to submit a public comment through the Coalition on Human Needs' Action Network page.

– *Freddy Mejia, Policy Analyst*

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