Trinity Health

June 18, 2019

Director Mulvaney
Office of Management and Budget
725 17th St NW
Washington, DC 20503

Cc: Nancy Potok, Chief Statistician

RE: OMB–2019–0002 - Request for Comment on the Consumer Inflation Measures Produced by Federal Statistical Agencies

Submitted electronically via http://www.regulations.gov

Dear Ms. Potok,

Trinity Health appreciates the opportunity to comment on the Office of Management and Budget's (OMB) *Request for Comment on the Consumer Inflation Measures Produced by Federal Statistical Agencies*. Trinity Health is committed to public policies that support better health, better care, and lower costs to ensure affordable, high quality, and people-centered care for all. As such, Trinity Health has concerns with OMB's consideration of updating the inflation measure used to adjust the Official Poverty Measure (OPM), as a change in the OPM could result in individuals losing access to or seeing a reduction in essential health care.

Trinity Health is a national Catholic health care delivery system with a steadfast mission to be a transforming and healing presence within our communities. Trinity Health includes 94 hospitals as well as 109 continuing care locations that include Programs of All-Inclusive Care for the Elderly (PACE), senior living facilities, and home care and hospice services. Committed to those who are poor and underserved, Trinity Health returns $1.1 billion to our communities annually in the form of charity care and other community benefit programs. We have 35 teaching hospitals with graduate medical education (GME) programs providing training for more than 2,000 residents and fellows in 184 specialty and subspecialty programs. We employ approximately 133,000 colleagues, including more than 7,800 employed physicians and clinicians, and have more than 15,000 physicians and advanced practice professionals committed to 23 Clinically Integrated Networks (CINs) that are accountable for approximately 1.5 million lives across the country through alternative payment models (APMs). Further, we have provided care for more than one million patients who have gained Medicaid coverage since 2014 and we celebrate their health improvements and see the economic benefits of this coverage in our communities.

In the request for comment, OMB is seeking input on a range of consumer inflation measures and how use of different measures may impact the estimation of the Official Poverty Measure (OPM) and other income measures generated by the Census Bureau. OMB notes that these comments, paired with input from an internal working group and other federal agencies, will support OMB's assessment of the need to update the inflation measure used to annually adjust the OPM.

OMB contends that other indexes may be a more accurate measure of inflation; however, Trinity Health is concerned that a change could negatively impact low-income individuals and families by reducing their access to safety net programs that improve health, wellness, and self-sufficiency. **Any changes to the consumer price index used for the purposes of adjusting the OPM and other income measures produced by the Census Bureau should not result in lowering the poverty threshold**. As a result, OMB should not use a measure of inflation that grows more slowly

than the currently used CPI-U. This is especially important given that OMB acknowledges that "changes to the poverty thresholds, including how they are updated for inflation over time, may affect eligibility for programs that use the poverty guidelines." **Trinity Health urges OMB to ensure that any update to the inflation measure used to calculate the OPM does not result in fewer individuals being eligible for health care programs—including Medicaid and CHIP, the Medicare Low Income Subsidy (LIS) program, and marketplace premium tax credits and cost-sharing assistance—or other programs such as the Supplemental Nutrition Assistance Program (SNAP) that use the federal poverty guidelines to determine eligibility.**

Trinity Health believes in the value of safety net programs in promoting the health and wellbeing of individuals and the communities we serve. Further, we support health care coverage for all as health care coverage allows people to use the health care system more effectively and efficiently, leading to increased accountability, lower costs, a healthier population, and a more vibrant economy. We believe an update to the inflation measure used to annually adjust the OPM could have a negative impact not only on individual's health and wellbeing, but other stakeholders including providers, health systems, and nonprofit organizations as well as the economy. As such, we offer the following main comments:

1. **Loss of eligibility or reduced benefits as a result of a change in the annual estimation of the OPM would have a negative impact on health status, outcomes, and access to necessary care and supportive services.**

2. **Decreased eligibility for health care and other essential safety net programs will lead to increased costs and burden on individuals and the health care system.**

Below we outline our comments in more detail.

1. Loss of eligibility or reduced benefits as a result of a change in the annual estimation of the OPM could have a negative impact on health status, outcomes, and access to necessary care and services.

Any change to the consumer price index used to calculate the Official Poverty Measure—or other income measures—should not result in lowering the poverty threshold, as this could lead to a significant number of individuals losing or seeing a reduction in benefits. **To protect against this, OMB should not use a measure for inflation that grows more slowly than the currently used CPI-U.**

A recent analysis from the Center on Budget and Policy Priorities (CBPP) estimates the impact of updating the OPM using the chained consumer price index (CPI)—one of the proposed inflation measures— on health programs and found a significant impact on Medicare, Medicaid, and exchange enrollees in terms of access to coverage. Specifically, the analysis projects that after 10 years:

- Over 250,000 low income seniors or individuals with disabilities would either see reduced assistance or lose eligibility for the Medicare LIS Program. Further, 150,000 low-income seniors and people with disabilities would lose Medicaid eligibility, which helps cover their Medicare Part B premiums.
- More than 300,000 children—and some pregnant women—would lose Medicaid or CHIP coverage and over 250,000 adults that gained coverage as a result of Medicaid expansion under the ACA—and some low-income parents—would lose coverage.
- Tens of thousands of consumers would not qualify for premium tax credits and over 200,000 individuals with marketplace coverage would see reductions in their cost-sharing assistance. Further, approximately 6 million individuals who have coverage through the health insurance marketplace would experience a reduction in premium tax credits.

The CBPP analysis also notes that while most individuals losing Medicaid coverage would become eligible for subsidized marketplace coverage, premiums and cost-sharing could deter enrollment and

serve as a barrier to care, resulting in more individuals forgoing needed care. Additionally, the analysis notes that using anther proposed index—the Personal Consumption Expenditures Price Index (PCEPI)—would result in an even larger number of people losing coverage.[1]

The importance of ensuring that any changes to the OPM do not result in a loss of benefits is underscored by research demonstrating that access to health care coverage is associated with improved health status, outcomes, and access to care. Specifically, studies examining the impact of expanded Medicaid coverage have shown expansion improved access and had a positive impact on utilization, affordability of care, and health outcomes.[2] For example:

- A study examining the effects of Medicaid expansion in Oregon on access to care and health outcomes for newly enrolled individuals found that Medicaid enrollment was associated with an increase in access to care—including having a usual place of care—and an increase in utilization of preventive care and screening services.[3]
- Similarly, an analysis of the impact of Medicaid expansion in Ohio found that 48 percent of new enrollees reported an improvement in overall health status, 64 percent reported improved access to care, and 34 percent reported fewer emergency room visits since enrolling in Medicaid. The same analysis concluded that expansion enrollees reported—and a review of medical records confirmed—better management of health risk factors and chronic diseases.[4]
- A recent study examining the impact of Medicaid expansion on deaths from heart attacks and heart disease estimated that there were 2,000 fewer deaths per year in expansion states.[5]
- Another study found that rates of hypertension are significantly higher among the uninsured population compared to the insured. According to this study, in addition to disparities in health outcomes, benefits of obtaining health insurance include an improved perception of personal health, a lower likelihood of depression compared to those without health insurance, and increased financial security.[6]

This research demonstrates that access to coverage can lead to positive health outcomes and appropriate utilization. Further, recent studies and analysis show that lack of coverage can exacerbate preventable and manageable chronic conditions—further reinforcing the importance of maintaining access to coverage especially for low-income and vulnerable populations.

Further, Trinity Health is extremely concerned by the impact a change in the calculation of the OPM would have on access to important nutrition and other safety net programs. Food security is a critically important social determinant of health -- and a community health and well-being priority of Trinity Health. We recognize that to improve the health of those communities we serve, we must address the profound impact of social determinants of health.
If OMB moves forward with updating the inflation measure used to adjust the OPM, it should ensure that the change does not lead to fewer individuals being eligible for programs that use to federal poverty guidelines to determine eligibility. This is imperative as Medicare, Medicaid and marketplace coverage play an essential role in providing health care services to adults and children, including those with chronic conditions and disabilities. Similarly, SNAP plays a vital role in supporting low-income families in accessing healthy food, which also impact health status and outcomes.

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[1] Center on Budget and Policy Priorities, Poverty Line Proposal Would Cut Medicaid, Medicare, and Premium Tax Credits, Causing Millions to Lose or See Reduced Benefits Over Time, May 22, 2019
[2] Kaiser Family Foundation, The Effects of Medicaid Expansion under the ACA: Updated Findings from a Literature Review, March 28, 2018
[3] Baicker, K., Taubman, S., Allen, H., Bernstein, M., Gruber, J., & Newhouse, J. et al. (2013). The Oregon Experiment — Effects of Medicaid on Clinical Outcomes. *New England Journal Of Medicine*, *368*(18), 1713-1722.
[4] The Ohio Department of Medicaid, Ohio Medicaid Group VIII Assessment: A Report to the Ohio General Assembly, 2017.
[5] Khatami, Sameed Ahmed M., et al, Association of Medicaid Expansion With Cardiovascular Mortality, JAMA, June 5, 2019
[6] Woolhandler S & Himmelstein DU. The Relationship of Health Insurance and Mortality: Is Lack of Insurance Deadly? Ann Intern Med. 2017;167(6):424-31.

2. Decreased eligibility for health care and other essential safety net programs will lead to increased costs and burden on individuals and the health care system.

Loss of coverage or a reduction in benefits would shift health care costs to individuals and families. The CBPP analysis projected that individuals who lost or experienced a decrease in benefits as a result of a change in the OPM calculation would see increased cost-sharing, which can be especially challenging for the low-income individuals and can result in individuals forgoing coverage or necessary care. Specifically, the study estimates that:

- The 250,000 individuals losing eligibility for partial or full benefits through the Medicare LIS program would have to pay premiums of approximately $100 or $400 per year, be subject to a deductible for prescription drug coverage of $85 or $415, and pay either 15 percent or 25 percent of the cost sharing for drugs after the deductible is met —depending on loss of full or partial LIS benefits.
- Further, the more than 150,000 seniors and individuals with disabilities losing eligibility for Medicaid for coverage of Part B premiums would have to pay premiums out of pocket—estimated to be $1,626 for 2019. Others who receive help from the Medicaid program in paying Medicare cost-sharing and deductibles would face potential cost-related barriers to access in the form of deductibles and cost-sharing for hospital and physician service when they become ineligible for cost-sharing assistance under the program.
- Finally, 6 million marketplace enrollees would likely have to pay higher premiums—due to a reduction in their premium tax credit—and over 200,000 enrollees would see a cost increase of between $600 and $2,350 as a result of reduced cost-sharing assistance that results in a change to their deductible.[7]

A change in the OPM that would shift more costs to individuals and result in loss of health care coverage is particularly problematic as research indicates that Medicaid coverage can improve financial self-sufficiency by reducing financial burden on individuals and households. For example, an analysis of the impact of Medicaid coverage expansion under the ACA between 2014 and 2016 that included two expansions and one non-expansion state found a correlation between Medicaid coverage expansion and a decline in difficulty paying medical bills. The study also found that previously uninsured individuals who gained coverage experienced a $337 reduction in annual, out-of-pocket medical spending.[8]

Other research has demonstrated that Medicaid has reduced personal bankruptcies, and decreased debt and catastrophic expenditures.[9] Further, evidence shows that shifting costs or imposing cost-sharing on the lowest-income beneficiaries can lead to reduced enrollment, barriers to care, and worse outcomes. For example, an analysis of Oregon's 2003 Medicaid expansion found that cost-sharing was associated with decreased enrollment—44 percent of enrollees disenrolled within 6 months of cost-sharing being imposed and those who left the program due to cost-sharing reported poorer access to needed care, less use of primary care, and increased use of ERs, compared to those who left program for other reasons.[10]

Second, and more broadly, loss of health care coverage or a reduction in benefits could reduce access to lower-cost preventative care and increase uncompensated care costs. A number of analyses have found that Medicaid expansion is associated with a decrease in uncompensated care costs and hospital viability, including:

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[7] Center on Budget and Policy Priorities, Poverty Line Proposal Would Cut Medicaid, Medicare, and Premium Tax Credits, Causing Millions to Lose or See Reduced Benefits Over Time, May 22, 2019

[8] Sommers, B., et all., "Three-Year Impacts Of The Affordable Care Act: Improved Medical Care And Health Among Low-Income Adults." *Health Affairs*, 2017.

[9] Kaiser Family Foundation, The Uninsured: A Primer: Key Facts About Health Insurance and The Uninsured In The Era Of Health Reform November 2016.

[10] Wright, Bill, et al, The Impact Of Increased Cost Sharing On Medicaid Enrollees, Health Affairs, July/August 2005.

- A study that examined the impact of Medicaid expansion on hospital uncompensated care burden found that burden fell from 3.9 to 2.3 percent of hospital operating costs and savings across all hospitals in expansion states summed to $6.2 billion between 2013 and 2015.11
- Another analysis by the Medicaid and CHIP Payment and Access Commission (MACPAC) found that between 2013 and 2015 the share of hospital operating expenses comprised of charity care and bad debt declined by 47 percent in states that expanded Medicaid, compared to 11 percent in states that did not.[12]
- Further, an analysis of hospital closures and financial performance between 2008 and 2016 found that Medicaid expansion was associated with decreased probability of closure.[13]

Reducing coverage would not only result in individuals forgoing necessary preventive and other care, but would increase safety net providers uncompensated care cost and viability.

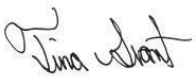
Trinity Health strongly urges OMB not to move forward with a change in the OPM that would result in individuals losing or seeing a reduction in health care coverage and benefits that would place an increased financial burden on both the individuals themselves and the health system.

Conclusion

Trinity Health urges OBM and the interagency technical working group established by OMB to study potential price change measures consider the impact of any proposed changes on access to necessary services for low-income individuals. **We strongly recommend that no changes be made to the methodology used to annually adjust the OPM that would result in low-income individuals losing or seeing a reduction in health care coverage or access to other essential safety net programs.**

Trinity Health thanks OMB for the opportunity to comment on this request for comments and intend for our comments and recommendations to reflect our strong interest in public policies that support better health, better care, and lower costs to ensure affordable, high quality, and people-centered care for all. We look forward to working with you to advance these goals. If you have questions on our comments, please feel free to contact me at granttw@trinity-health.org or 734-343-1375.

Sincerely,



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[11] Ody, Christopher, et all, The Impact of the ACA's Medicaid Expansion on Hospitals' Uncompensated Care Burden and the Potential Effects of Repeal, The Commonwealth Fund, May 3, 2017
[12] Report to Congress on Medicaid and CHIP, Medicaid and CHIP Payment and Access Commission, March 2018
[13] Lindrooth, R., et al. (2018).Understanding The Relationship Between Medicaid Expansions And Hospital Closures. *Health Affairs.*