



Legislation Text

File #: Res 1026-2019, **Version:** *

Res. No. 1026

Resolution opposing the use of the Chained Consumer Price Index to revise the Official Poverty Measure and urging the Federal government not to move forward with its adoption.

By Council Members Miller and Kallos

Whereas, On May 7, 2019, the Federal Office of Management and Budget (OMB) published a request for comment on the consumer inflation measures produced by Federal Statistical Agencies, and how their “differences might influence the estimation of the Official Poverty Measure (OPM),” stating, “OMB will consider the need to update the specific inflation measure used to adjust the OPM”; and

Whereas, One of the inflation measures OMB seeks comment on is the Chained Consumer Price Index for All Urban Consumers (Chained CPI), which is a lower measure of inflation that would, over time, lower the income eligibility thresholds for various programs that serve people in need, including for programs like the Supplemental Nutrition Assistance Program (SNAP) and Medicaid, which are tied to the federal poverty line, according to a May 2019 statement from the Center on Budget and Policy Priorities (CBPP); and

Whereas, The Chained CPI would also reduce the Affordable Care Act’s (ACA) premium tax credits and increase out-of-pocket premium charges for millions of Americans who purchase health insurance through the ACA marketplaces, also according to the CBPP; and

Whereas, If the Chained CPI is used to estimate the OPM, over the course of 10 years, more than 300,000 adults and children would become ineligible for Medicaid or the Children’s Health Insurance Program (CHIP), 250,000 adults would lose coverage under Medicaid expansion and more than 250,000 seniors and persons with disabilities would have benefits decreased or cut from Medicare’s Part D Low-Income Subsidy Program, according to a CBPP analysis; and

Whereas, New York State Attorney General Letitia James has called the Trump Administration’s proposal a “war on New Yorkers and Americans living in poverty,” stating that a change in the way the OPM is calculated could negatively impact tens of thousands of New Yorkers, disconnecting them from essential benefits and funding they require for basic standards of living; and

Whereas, As of June 2019, over 2.5 million New York City residents (almost one-third) were enrolled in Medicaid, and as of April 2019, more than 1.5 million were SNAP recipients (about 18%); and

Whereas, Using the Chained CPI to determine OPM thresholds would result in many New Yorkers losing their Medicaid and SNAP benefits or having them reduced; now, therefore, be it

Resolved, That the Council of the City of New York opposes the use of the Chained Consumer Price Index to revise the Official Poverty Measure and urges the Federal government not to move forward with its adoption.

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