



June 21, 2019

Nancy Potok,
Chief Statistician, Office of Management and Budget

Re: Directive No. 14, Consumer Inflation Measures Produced by Federal Statistical Agencies

Dear Ms. Potok:

The Wisconsin Board for People with Developmental Disabilities (BPDD) is concerned that changing the inflation index used to calculate annual cost of living adjustments from primary CPI to chained CPI would result in a lower poverty line and further restrict the amount of allowable income people with disabilities can earn while remaining eligible for health, housing, food, and other public assistance programs that help people live in their own homes rather than expensive Medicaid-funded institutional settings.

People with disabilities frequently rely on multiple public benefit programs including Social Security Income (SSI), Social Security Disability Insurance (SSDI), Medicaid, Medicare, Supplemental Nutrition Assistance Program (SNAP), and Public Housing (including Section 8 and Section 811)¹. All these programs include financial eligibility requirements, and most rely on income limits based on a percentage of the federal poverty level (FPL), which currently uses primary CPI to adjust for inflation annually.

Chained CPI is based on the premise that consumers may change their spending habits in response to fluctuating prices. However, this concept does not hold true for people with disabilities who have a greater proportion of their household budgets committed to high, fixed costs including housing that meets accessibility or accommodation requirements, specialized equipment and transportation, and other products and services directly related to disability.

The amount of flexible income is limited and leaves little room to substitute lower priced goods when prices rise on other items. In addition, if there are increases in the high fixed costs, there may not be lower cost alternatives—especially in housing—that are equitable. For example, a person with a disability who needs ground floor accessible housing located near public transit within a certain price point may not have few or no options that meet needed criteria. Chained CPI is not a better inflationary measure for low income people who have limited flexibility to change their consumer buying patterns in response to fluctuating prices.

¹ 14% (or 1,820,000 people) of SSI and SSDI beneficiaries have an intellectual/developmental disability (I/DD); People with disabilities account for 15% of total Medicaid enrollment; 21% of Medicare beneficiaries and 15% of Medicaid enrollees are “dual-eligibles.” About 7% of dual-eligible are people with I/DD. More than 60% of dual eligible beneficiaries are below the poverty level; 25% of SNAP recipients (11 million people) are elderly, blind, or have a disability; People with disabilities make up 20% of HUD Public Housing program recipients, 30% of Section 8 Housing Voucher recipients, and 100% of Section 811 recipients.

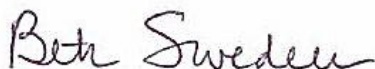
Analysis indicates using chained CPI would result in a lower poverty line, which will result in people who depend on income-eligibility based programs and services further restricting their income, including limiting employment, to access the supports they need. This further cements the vicious cycle of poverty experienced by many people with disabilities. The supports they need to work are provided by public benefit programs; exceeding income thresholds results in the loss of supports that enable employment and not enough income to cover housing, health care, food, childcare and other costs that were subsidized by public benefit programs. For example, many people with disabilities rely on Medicaid health and long-term care services that are not available at all or to the degree needed on the ACA exchanges or private insurance marketplace. Maintaining access to Medicaid, which sets income limits based on FPL, is critical to maintain health and the ability to live in the community.

In addition, it is unclear whether this proposal would result in the same inflationary measure being used across programs. Notably SSI and SSDI, which distributes supplemental income to many people with disabilities, does not use chained CPI. Incongruity on how the FPL is calculated could potentially lead to programs having different income limits, a more complex and confusing web of requirements for people to navigate, and the loss of eligibility for some programs without any increase in the individual's income.

BPDD is charged under the federal Developmental Disabilities Assistance and Bill of Rights Act with advocacy, capacity building, and systems change to improve self-determination, independence, productivity, and integration and inclusion in all facets of community life for people with developmental disabilities.

Our role is to seek continuous improvement across all systems—education, transportation, health care, employment, etc.—that touch the lives of people with disabilities. Our work requires us to have a long-term vision of public policy that not only sees current systems as they are, but how these systems could be made better for current and future generations of people with disabilities.

Thank you for your consideration,

A handwritten signature in dark ink that reads "Beth Swedeen". The signature is written in a cursive, flowing style.

Beth Swedeen, Executive Director
Wisconsin Board for People with Developmental Disabilities