



New York StateWide Senior Action Council, Inc
Improving The Lives of Senior Citizens & Families in NY State
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**TESTIMONY OF
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**Before the NYS Senate Standing Committees on
Aging and Social Services**

**Comments on Impact of Proposed Changes to the
Federal Supplemental Nutrition Assistance Program and
the Official Poverty Measure**

**Albany, NY
Monday, October 21, 2019**

My name is Gail Myers and I am the Deputy Director of New York StateWide Senior Action Council ("StateWide.") We are a grassroots organization with chapters throughout the state. In addition to the input of our members, we learn about problems in the aging and health care delivery systems from the two helplines that we operate through contracts from the NYS Office for the Aging as a result of state budget appropriations, the **Managed Care Consumer Assistance Program** and our **Patients' Rights Hotline and Advocacy Project**. These cases inform us on how the aging and healthcare systems' policies and practices are affecting residents; we then can inform policymakers to see if system corrections can be made.

We thank you for holding today's hearing to explore the potential impact of proposed changes to the Federal Supplemental Nutrition Assistance Program and the methodology used to determine the Official Poverty Measure (OPM) on New York residents. The OPM is colloquially referred to as the Federal Poverty Level (FPL.) As you are hearing today from the advocacy community, and as you no doubt already realize, if the proposed federal changes go into effect, less people would be eligible for safety net benefits – plunging them further into abject poverty and more dependent on the state to increase programs funded by state only dollars to meet the needs of the poorest amongst us. Census data released in September show how many people, by age group, various government programs lift above the poverty line in 2018. [See ATTACHMENT I]

Changes to the FPL will impact the quality of life of New Yorkers through a loss of benefits. The impact will be significant to those older New Yorkers who are currently living in poverty. All of this needs to be looked out within the context of the current poverty data for NYS residents. A good source is the Spotlight on Poverty and Opportunity's state profiles. [See ATTACHMENT II]

According to data from the Fiscal Policy Institute, poverty is currently rising among older residents of New York State. In the state as a whole, the senior poverty rate increased from 11.4% in

New York's 2018 senior poverty rate is 11.8%, a 3% increase over 2017.

2017 to 11.8% in 2018, a 3% increase. In the metro areas, the poverty rate was much higher than the statewide average.

Percent of population age 65+ living in poverty by Metro Area	YEAR 2017	YEAR 2018
New York City	18%	18.7%
Syracuse	11.9%	16.6%
Schenectady	11.1%	18%

Implementation of the proposed adjustment to the calculation of the FPL will further slow gains made to lift people out of poverty. [See ATTACHMENT III]

StateWide is concerned about the impact on all residents, from the youngest to the oldest. However, given the expertise of our agency, I will focus our comments on the programs and services that help older New Yorkers continue to live with dignity as they grow older.

Our testimony and recommendations today will be in three parts; 1) elder economic poverty, 2) calculating the cost of living of older residents and 3) programs that help older residents escape abject poverty and help them to meet their basic needs – housing, nutrition, health benefits and Medicare premium assistance, employment and heating/cooling assistance, among others.

I. Elder Economic Poverty

While a focus of your hearing is the impact of potential changes in the calculation of the Federal Poverty Level, our work has shown that the current calculation, which is better than the proposed change, is inadequate to truly capture how close older residents are to living on the edge of poverty. *StateWide* has partnered with the National Council on Aging & the Gerontology Institute at UMass to publish the NYS Elder Economic Security Index (EESI). This Index calculates the average cost for a senior

59% of New York's senior households are not making ends meet today.

(65 +) to live in the community, measuring how much income is needed for an older adult to adequately meet his or her basic needs – without public or private assistance – based on an elder’s housing and health statuses. The index is calculated county by county, by marital status, and whether the residence is rented, owned, or mortgaged. **This index is usually higher than the Federal Poverty Level (FPL) because we factor more accurate living circumstances.** Our NYS Elder Economic Index reflects that 59% of senior households are not making ends meet today. This figure far surpasses the traditional Federal Poverty Rate of 11.6% or the adjusted Supplemental Poverty Rate of 18% because the NYS-EEIR takes into account the average cost of daily living in relation to an older New Yorker’s income, rather than the traditional one-size-fits all approach that the FPL takes which is much less realistic.

Findings: In comparison to other states, older New Yorkers who rent (singles and couples) are paying the 7th highest cost of living rate in the nation. New York State elders – singles and couples – rate 3rd in the nation for seniors who are living above the FPL, but below the EESI – or “in the gap”. Seniors living in the gap are not considered poor by government standards, but do not have

the resources to meet the average standard of living according to our Index. According to the study, 21.3% of single seniors live below the FPL yet 60.4% live below the EESI, leaving 39.1% of single older New Yorkers in the

Our study shows that older New Yorkers rate 3rd in the nation for seniors who are living above the FPL, but below the EESI – or “in the gap”. Older residents living below the EESI rely on Social Security for 90% or more of their income

gap. For couples, the numbers are slightly better with 24.5% living below the FPL, 30.6% living below the EESI and 6.1% living in the gap. The study also shows that older adults living below the EESI rely on Social Security for 90% or more of their income with 45.6% of singles and 43.7% of couples in NYS falling under this category.

NYS Elder Economic Security Index						
New York State Average 2016						
Expenses/Monthly and Yearly Totals	Elder Person (age 65+)			Elder Couple (both age 65+)		
	Owner w/o Mortgage	Renter, one bedroom	Owner w/	Owner w/o Mortgage	Renter, one bedroom	Owner w/Mortgage
Housing (inc. utilities, taxes & insurance)	\$838	\$1,080	\$1,993	\$838	\$1,080	\$1,993
Food	\$256	\$256	\$256	\$470	\$470	\$470
Transportation	\$197	\$197	\$197	\$305	\$305	\$305
Health Care (Good Health)	\$393	\$393	\$393	\$786	\$786	\$786
Miscellaneous	\$337	\$337	\$337	\$480	\$480	\$480
Index Per Month	\$2,021	\$2,263	\$3,176	\$2,879	\$3,121	\$4,034
Index Per Year	\$24,252	\$27,156	\$38,112	\$34,548	\$37,452	\$48,408

The 2016 Elder Index estimates that half of older adults living alone, and 1 out of 4 older adults living in two-elder households, lack the financial resources required to pay for basic needs.

In a comparison using this tool of all states, New York had the third highest economic insecurity rate for single older adults in 2016. [See ATTACHMENT IV]

II. Calculating the Cost of Living of Older Residents

Today we are discussing the potential impact of the change to the calculation of the Federal Poverty Level, but I want to point out that the current calculation is inadequate to measure the true cost of living indicators of older residents. The above referenced Elder Economic Security Index measures the household expenses of older New York residents, indicating that a poverty index (for a one person household) needs to be closer to an annual income of \$27,000 (average for a renter) than the current FPL of \$ 12,490. [See ATTACHMENT

The Chained CPI is a grossly inadequate calculation of the cost of living of older Americans.

V.] The proposed use of the Chained CPI uses a lower measure of inflation. It is grossly inadequate and will become more so over the next ten years after implementation.

The current use of a formula to adjust the cost of living based on an urban wage earner simply does not work for elder households. By definition, the population used is unlike older Americans, who largely rely on Social Security for income, and the patterns of consumer spending by the general or working population do not reflect the spending of elder households, particularly related to the per cent of income dedicated to health care costs. Persons 65 and older spend more than twice as much on health care, and those over 75 spend nearly three times as much on health care than younger consumers. (Source: National Committee to Protect Medicare and Social Security.)

Under direction from Congress in 1987, the Bureau of Labor Statistics developed an index of inflations focused on older people. The “Experimental CPI for Americans 62 Years of Age and Older (CPI-E.)” This index has not been implemented, but results in a higher percent of increase when used it to calculate inflation’s impact on older households.

In the Spring of 2019, the White House Office of Management and Budget (OMB) requested comment on Consumer Inflation Measures Produced by Federal Statistical Agencies and their potential use in the annual adjustment of income measures such as the Official Poverty Measure (OPM). This proposed change will inaccurately result in more older adults having incomes above the OPM, even if the reality is that they are living on the economic margins. The Department of Health and Human Services (HHS) poverty guidelines are based directly on the OPM. The proposed change would lower the income-eligibility cutoffs for HHS programs, cutting or eliminating assistance. The impact compounds over the years; the proposal will reduce year over year total inflation, meaning that over time fewer people will qualify for benefits that are associated with the FPL as an income standard. Many would no longer qualify for the assistance that helps them meet their basic

Under the proposed change in calculating FPL, fewer people will qualify for benefits and this number would increase with each passing year.

needs, and their ability to age with dignity. As a result, their health status would be negatively impacted and that would likely hasten their reliance on the state for services and on the state's Medicaid system.

III. Older Resident Benefits at Risk

Many programs use the poverty line to determine eligibility and benefits and, if the change in calculating the growth rate of the FPL were to take effect, the numbers of people unable to qualify or who will receive a smaller benefit would increase with each passing year.

Trump Proposal to Lower Poverty Line Would Cut Eligibility or Benefits for Many Health, Nutrition, Other Basic Assistance Programs



Medicare prescription drug Low-Income Subsidy Program



Cost-sharing assistance for ACA marketplace coverage



Programs that help low-income people pay Medicare premiums



Supplemental Nutrition Assistance Program (SNAP)



Medicaid and CHIP coverage for children and pregnant women



School breakfast and school lunch programs



Medicaid coverage for adults, including ACA Medicaid expansion



Head Start comprehensive early education programs for low-income children



Medicaid coverage for family planning services



WIC nutrition program for low-income women, infants, and young children



Premium tax credits for ACA marketplace coverage



LIHEAP home energy assistance program for low-income households

ACA = Affordable Care Act. CHIP = Children's Health Insurance Program

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Energy Assistance - heating and cooling Assistance under *HEAP* benefits can help aging seniors and people with disabilities stay in their homes. *Weatherization Assistance for Low-Income Persons* provides funds to insulate, replace broken windows, and fix or replace heaters and furnaces to make homes more energy efficient.

In addition to the FPL changes for qualifying, the President's proposed 2020 budget would eliminate funding for the LIHEAP program.

Employment - The *Senior Community Service Employment Program* (SCSEP) helps the older resident return to the workforce. Program eligibility is for persons aged 55 and older who are unemployed and living on a family income at or below 125% of FPL. Once enrolled, they receive a subsidized minimum wage for working at a not for profit agency.

Volunteer opportunities – Some stipends for the *Foster Grandparent Program*, which recruits those aged 60 and over in volunteer service to provide supportive, person-to-person service to children with exceptional or special needs, and the *Senior Companion Program*, which recruits those aged 60 and over in volunteer service to provide supportive, individualized services to help adults with special needs to maintain their independence.

Legal Services for the Poor - provides legal aid to low-income Americans. The program helps seniors and others facing eviction and protects those victimized by unscrupulous lenders, among other important assistance.

Medicare - While Medicare eligibility itself doesn't depend on income, lower-income Medicare enrollees qualify for federal help to pay their premiums, deductibles, and other cost sharing obligations through the

Medicare Low-Income Subsidy (LIS) program and the Medicare Savings Program. These programs help offset enrollment costs of Medicare's drug and medical coverage. More than ¼ million older Americans and people with disabilities will lose the LIS under the Chained CPI, meaning they would pay more for Medicare Part D

The changes proposed to the FPL would reduce enrollment in programs that allow older residents and persons with disabilities to afford and access health care

prescription drug insurance and drug co-payments. [Source: Center on Budget and Policy Priorities, May 2019]

According to the Centers for Medicare and Medicaid Services, 36 percent of New Yorkers with a stand-alone Medicare prescription drug plan currently use the LIS benefit – also called Extra Help. [Fact Sheet, Sept. 24, 2019]

Medicaid - Low-income seniors and people with disabilities would lose eligibility for Medicaid, essential to providing long term care services in both institutional settings and at home. The current income and asset levels

to qualify for Medicaid in New York already reflect abject poverty. The changes proposed to the FPL would reduce enrollment in programs that allow older residents and persons with disabilities to afford and access health care – specifically through Medicaid, which currently provides the only guaranteed access to critical long-term services and supports, the Medicare Part D low-income subsidy (“Extra Help”) and the Medicare Savings Program. More than 150,000 American low-income seniors and people with disabilities would lose eligibility for the Medicare Savings Program that covers their Medicare Part B premium. [Source: Center on Budget and Policy Priorities, May 2019] That means they would have to pay premiums out of pocket to maintain Medicare coverage for physician and other outpatient care. The 2020 Part B premium is expected to be \$144.30 per month. They could face hospital and physician services deductibles (2019 hospital deductible of \$1,364, 2019 physician services deductible of \$185) and additional co-insurance and copays.

Program	Program description	Income and Resource Test	Income qualifications based on % of FPL
Medicaid for older New Yorkers	Covers health benefits, drugs, and long term care.	Individual: \$879 monthly income (Annual \$10,300), \$15,450 assets Couple: \$1,287 income, \$22,800 assets.	
Medicare Low Income Subsidy/Extra Help	Full or Partial Subsidy, dependent on income, to offset or eliminate Part D premiums, address the plan deductible (full) and reduce co-pays. Also, alleviates burden of late enrollment penalty. In 2019, prescription costs are no more than \$3.40 for each generic/\$8.50 for each brand-name covered drug for those enrolled in the program.	Individual: \$18,975 annual income, \$14,390 assets Couple: \$25,605 annual income \$28,720 assets	<150%
Medicare Savings Program (MSP) In 3 parts	Assistance with premium relief for Medicare Part B		<135% FPL
MSP Qualified Medicare Beneficiary (QMB)	Covers Medicare Part A premium (if applicable) Covers Medicare Part B premium. Eliminates hospital deductible of \$1,364, a physician services deductible of \$185, and additional co-insurance and copays.	Individual: \$1,061 monthly income Couple: \$1,430 NO asset limit	<100%

MSP Specified Low-Income Beneficiary (SLMB)	Covers Medicare Part B premium. (\$135.50 per month in 2019) Can be combined with Medicaid.	Individual: \$1,269 monthly income Couple: \$ 1,711 NO asset limit	Income between 100% and 120% of FPL
MSP Qualifying Individual (QI)	Covers Medicare Part B premium. Can be combined with Medicaid. Providers cannot charge these beneficiaries for Medicare cost-sharing (deductibles, coinsurance, and copayments).	Individual: \$ 1,426 monthly income Couple: \$ 1,923 NO asset limit	Income between 120 and 135% of FPL

Supplemental Security Income (SSI) —provides cash income to people who are disabled, blind, or elderly and have little income and few assets; the maximum benefits for individuals and couples (when both spouses qualify) are about 74 percent and 83 percent of the poverty level, respectively.

Housing Assistance – eligibility to live in HUD supported housing that reduce the costs of monthly rent for seniors and persons with disabilities will be impacted. In addition to the FPL changes for qualifying, the President’s proposed 2020 budget would cut the HUD budget by \$9.7 billion, or 18%, eliminating rental vouchers for 140,000 low-income American households and raising rents on 4 million other low-income American households. (Source: CBPP.org)

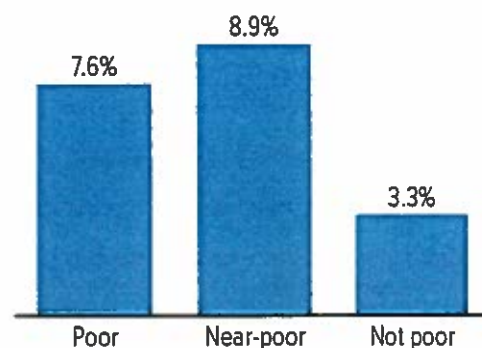
FOOD INSECURITY leads to significant health problems that can jeopardize older resident’s ability to live independently. The *Supplemental Nutrition Assistance Program* (SNAP) provides nutrition assistance benefits to millions of eligible, low-income individuals. The Trump administration admits that two proposed SNAP regulatory changes would take benefits away from nearly 4 million Americans, including 755,000 adults who are among the poorest that receive SNAP. According to Hunger Solutions New York, whose testimony is part of today’s record, more than 87,000 New Yorkers will be impacted. According to the USDA’s own estimates, 13.2 percent of older SNAP beneficiaries could lose SNAP benefits if the proposed changes to state authority to make broad-based categorical SNAP eligibility determinations were restricted. In addition to these changes, the President’s proposed 2020 budget would cut the SNAP budget by about 30% over ten years.

The federal proposed change in the OPM will make a current situation worse. Poorer seniors are less likely to take their medications as prescribed. Almost 9 percent of near-poor seniors (incomes between 100-200% FPL) and 7.6 per cent of poor seniors don't take their prescriptions as prescribed in order to save money. They skip doses, or delay filling a prescription. The impact of poverty on health status is clear. Moving toward a more draconian formula to calculate the CPI will only make this situation worse.

Further, change to the OPM could have a negative impact for programs that are not means tested, such as Older Americans Act services and supports that are not strictly income-based. These programs, run in our state through the local area agencies on aging and funded from a combination of sources, including federal, state, local governments, philanthropies and beneficiary voluntary contributions, could be further strained if fewer older adults receive supports through Medicaid, SNAP or other federal programs. As an example, the proposed cuts to SNAP will put more pressure on New York's congregate meals for seniors programs, and in turn, negatively impact state and local budgets to address the gap.

Poor, Near-Poor Seniors Likelier to Not Take Medication as Prescribed to Save Money

Percent of adults aged 65 and over prescribed medication who used strategies* to cut drug costs



*These include (1) skipped medication doses, (2) took less medicine, or (3) delayed filling a prescription. Near-poor = incomes between 100 and 200 percent of poverty line.

Source: National Health Interview Survey (National Center for Health Statistics Data Brief No. 335, May 2019)

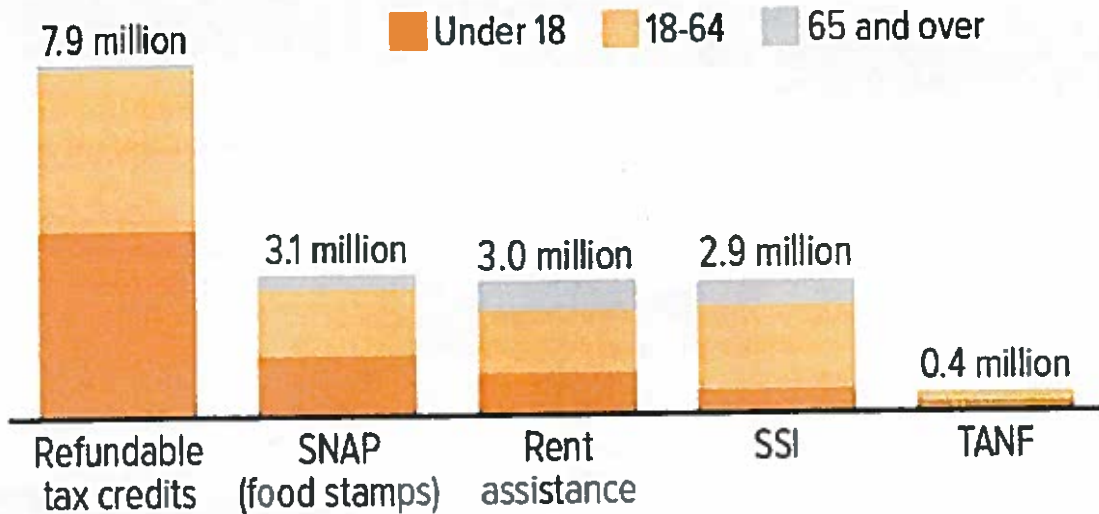
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The changes proposed to the FPL could have a negative impact for programs that are not means tested, such as Older Americans Act services.

Thank you for your consideration of our comments. NY StateWide Senior Action Council looks forward to the continued opportunity to collaborate with you on issues that define the standard of living of the aging population. I would be pleased to address any questions you might have.

Key Federal Programs Lift Millions Out of Poverty

People lifted above poverty line in 2018, by age



Refundable tax credits = Earned Income Tax Credit and refundable portion of Child Tax Credit; SSI = Supplemental Security Income; TANF = Temporary Assistance for Needy Families

Note: Reflects the Supplemental Poverty Measure, which counts major non-cash and tax-based assistance as well as cash assistance. Figures would be even higher if they included corrections for underreporting of government benefits in survey data.

Source: U.S. Census Bureau

ATTACHMENT II

Spotlight on Poverty – NY <https://spotlightonpoverty.org/states/new-york/>

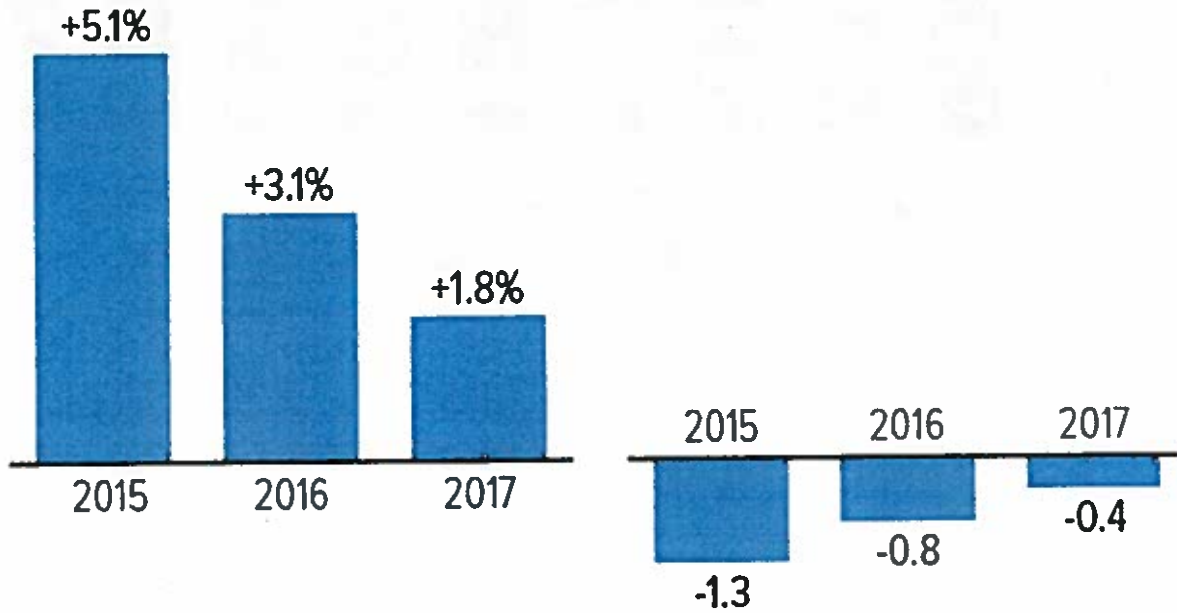
PARTICIPATION IN FEDERAL PROGRAMS	ASSETS	POVERTY BY DEMOGRAPHIC
Adults and children receiving welfare (TANF) 255,603	Asset poverty rate 28.7%	Child poverty rate 20.4%
Children receiving food stamps (SNAP) 1,050,000	Average college graduate debt \$30,304	Number of Black and Hispanic children below 200% poverty 930,000
ETC recipients 1,700,000	Unbanked households 8.0%	Percent of single-parent families with related children that are below poverty 32%
Families receiving child care subsidies 70,600	FAMILY	Senior poverty rate 11.4%
Households receiving federal rental assistance 576,000	Children in foster care 19,702	Women in poverty 15.2%
Households receiving LIHEAP (Low Income Home Energy Assistance Program) 1,034,274	Number of households with grandparents responsible for grandchildren under age 18 87,375	ECONOMIC WELL-BEING
Number of children enrolled in Medicaid and CHIP 2,506,899	Percent of children in immigrant families 37%	Extreme poverty rate 10.0%
Number of women and children receiving WIC (Women, Infants and Children supplemental nutrition program) 435,382	Percent of children living in single parent families 35%	Food insecurity 11.9%
Participants in all Head Start programs 50,575	Teen birth rate per 1,000 population ages 15-19 13	Minimum Wage \$10.40
HOUSING	EDUCATION	Number of Black and Hispanic children living in families where no parent has full-time, year-round employment 622,000
Home foreclosure rate 3.73%	High school graduation rate 79.2%	Percent of individuals who are uninsured 5.7%
Homeless people 89,503	Percent of adult population with at least a high school degree 84.1%	Percent of jobs that are low-wage 19.6%
Households paying more than 50% of income on housing 950,000	Percent of college graduates with debt 64%	Percent of working families under 200% of the poverty line 30.1%
Percent renters 46%	Percent of population over age 25 with at least a four year college degree 35.7%	Poverty rate 14.1%
Total households 7,104,332	Percent of teens ages 16 to 19 not attending school and not working 6%	Unemployment rate 4.7%
	JUSTICE SYSTEM	Incarcerated persons per 100,000 residents 265

Progress on Boosting Income, Reducing Poverty Has Slowed Since 2015

Change from previous year

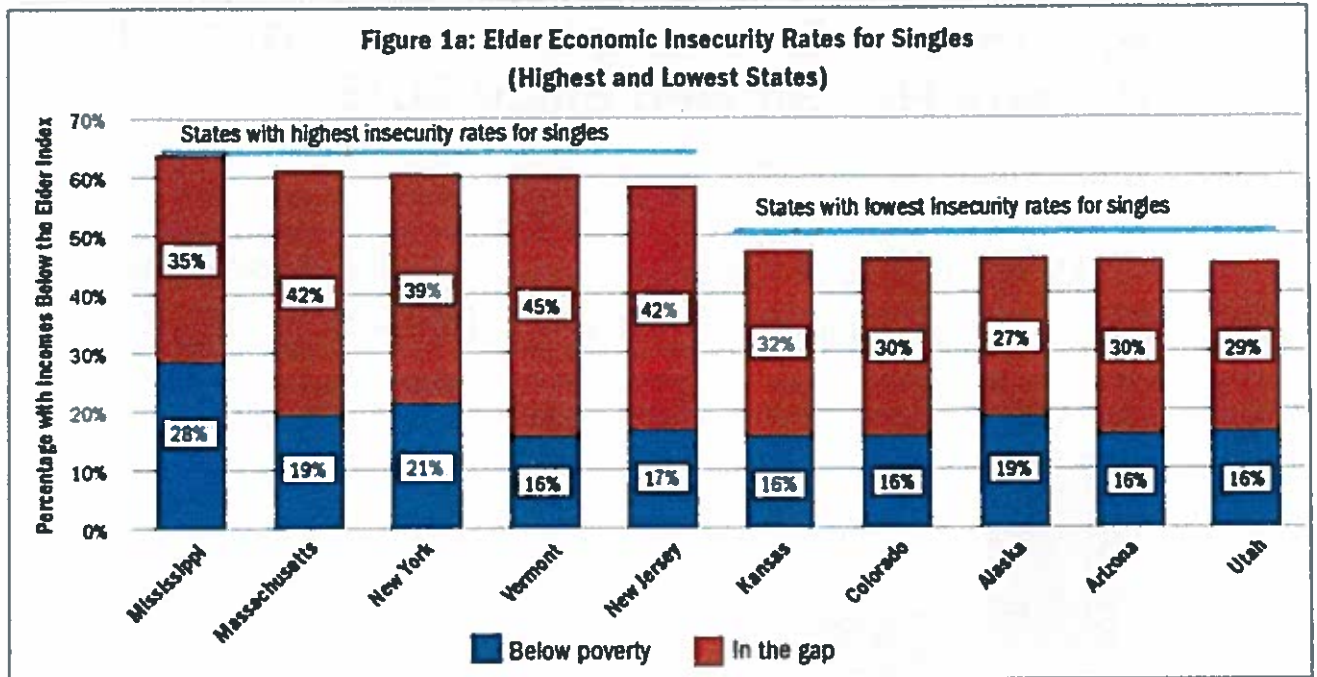
Median household income
(percent increase, inflation adjusted)

Official poverty rate
(percentage-point reduction)



Source: U.S. Census Bureau (Current Population Survey)

ATTACHMENT IV



ATTACHMENT V

HHS POVERTY GUIDELINES FOR 2019

The 2019 poverty guidelines are in effect as of January 11, 2019.

The [Federal Register notice for the 2019 Poverty Guidelines](#) was published February 1, 2019.

2019 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA	
PERSONS IN FAMILY/HOUSEHOLD	POVERTY GUIDELINE
For families/households with more than 8 persons, add \$4,420 for each additional person.	
1	\$12,490
2	\$16,910
3	\$21,330
4	\$25,750
5	\$30,170
6	\$34,590
7	\$39,010
8	\$43,430

