

Trump plan will slash Medicaid and food stamps

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The Trump administration is working to escalate the transfer of wealth from the working class to the financial aristocracy by changing the way the Office of Management and Budget (OMB) calculates inflation, and therefore the way it measures poverty. The result—entirely intentional—will be to reduce social benefits for low-income people and over time exclude hundreds of thousands of them from programs such as Medicaid, food stamps and home heating assistance.

The OMB has requested public comment on a proposal to recalculate inflation based on the so-called “chained” Consumer Price Index (CPI) to calculate the Census Bureau’s Official Poverty Measure (OPM). The change from the CPI used up to now—a shift that has been pushed since the George W. Bush administration—will reduce the government’s annual measure of inflation by 0.2 to 0.3 percentage points.

As a result, the government’s federal poverty level will fall, making hundreds of thousands of poor people no longer eligible for benefits.

The OMB currently calculates inflation based on the Consumer Price Index for All Urban Consumers (CPI-U). Every month, the prices of 211 items in 38 locales are evaluated to see how prices are changing. Trump and his OMB chief Rick Mulvaney, a right-wing Republican who is also serving as acting White House chief of staff, argue that the CPI-U overestimates inflation because it does not account for changes in what people buy to compensate for rising prices. The “chained” CPI supposedly takes such shifts into account, pushing down the official inflation rate.

Organizations that monitor public health and access to social services have carried out studies showing that that if chained CPI is implemented, more than a half-million individuals, including tens of thousands of children, will be cut off from assistance within the next

decade.

Aviva Aron-Dine, the vice president for health policy at the Center on Budget and Policy Priorities (CBPP), said earlier this week, “The notice describes and asks for comment on a long list of different inflation measures, but really it’s a proposal to lower the federal poverty line and thereby lower eligibility for many federal programs.”

Over the next decade CBPP estimates that 300,000 adults and children will become ineligible for Medicaid or the Children’s Health Insurance Program (CHIP), and 250,000 adults will lose coverage under Medicaid expansion.

Researchers Gregory Acs and Laura Wheaton at the Urban Institute have calculated what the cuts would have amounted to if the chained CPI model had been used for the 15 years prior to 2016. Acs told the *World Socialist Web Site*, “We looked at the people who are on SNAP (food stamps) in a typical month in 2016, the last year we had full data in our model. If we used the chained CPI starting in 2001, for the last 15 years, how many people who were on SNAP in 2016 would not be eligible because their incomes were too high?

“We found that if that model had been used 15 years prior to 2016, 579,000 recipients would have been ineligible for SNAP benefits.” He added that “242,000—or about 42 percent—would have been children.”

He continued: “If you were to change from CPI to chained, the poverty line would grow 0.2 or 0.3 percentage points slower. This might at first appear limited, but in a single generation that can mean a five percent difference.”

Acs told the WSWWS that the way poverty is currently calculated “misses fundamental changes in society, as it set a poverty line based on what the world was like 50

or 60 years ago, based entirely on nutrition.” He added, “This needs to be reset every decade or two.” Acs argued that the supplemental poverty measure is a preferred measure of poverty, as it considers the cost of food, clothing, shelter and utilities.

The administration points as a precedent for applying chained CPI to the poverty threshold the fact that it was incorporated into the 2017 tax overhaul bill, which provided a massive handout to the financial elite and increased the federal deficit over ten years by \$1.4 trillion due to lost federal tax revenues.

In November 2017, the WSWS warned, “It is already becoming clear that the tax overhaul is a prelude to a frontal attack on Medicare and Social Security. On Tuesday, the Congressional Budget Office warned that the tax bill could trigger a budget rule that would require up to half a trillion dollars in Medicare cuts over the next decade.”

The plan to change the inflation measure is part of a deepening assault on the working class, requiring the most vulnerable social layers to pay for the transfer of trillions to the financial aristocracy with a loss of access to health care and groceries.

The Democratic Party, which is openly capitulating to Trump’s savage war on immigrants and seeking to escalate its war-mongering anti-Russia campaign, is saying little about the escalating assault on social programs for the working class and poor.



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