
Program Policy Notice No. 16-02

- U.S. DEPARTMENT OF
HEALTH & HUMAN SERVICES
- Health Resources and
Services Administration
- Healthcare Systems Bureau

February 26, 2016

To: Facilities Obligated Under the Hill-Burton Uncompensated Services Assurance

Subject: Revised Poverty Guidelines

Attached are the revised Poverty Guidelines issued on January 25, 2016, by the Department of Health and Human Services. Effective March 26, 2016, they must be used in making determinations of eligibility for uncompensated services. These guidelines replace the Poverty Guidelines published on January 22, 2015. Facilities certified under one of the uncompensated services compliance alternatives are not required to use these guidelines, although they are permitted to do so.

Facilities located in Puerto Rico, the U.S. Virgin Islands, American Samoa, Guam, the Republic of the Marshall Islands, the Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, and Palau are to use the poverty guidelines for the "48 Contiguous States and the District of Columbia."

The guidelines no longer include a definition of "income". However, Hill-Burton facilities are required to use the statistical definition of income previously provided in the guidelines. A copy of the statistical definition is attached.

The guidelines also no longer include a definition of "family". Hill-Burton facilities are required to use either the statistical definition of family previously provided in the guidelines (a copy of the statistical definition is attached) or formally adopt their own written definition of family. However, the definition chosen must be used consistently in determining eligibility for uncompensated services. If the facility has not established its own formal written definition of "family", it must apply the statistical definition. To avoid misunderstandings, we recommend that facilities formally establish their definition in writing in their operating procedures manual.

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For additional information, you may contact the Division of Poison Control and Healthcare Facilities, Healthcare Systems Bureau, Health Resources and Services Administration, 5600 Fishers Lane, Room 8W-25C, Rockville, Maryland 20857; telephone (301) 443-5656.

/Cheryl R. Dammons/

Cheryl R. Dammons
Associate Administrator

Attachments

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Office of the Secretary

Annual Update of the HHS Poverty Guidelines

AGENCY: Department of Health and Human Services.

ACTION: Notice.

SUMMARY: This notice provides an update of the Department of Health and Human Services (HHS) poverty guidelines to account for last calendar year's increase in prices as measured by the Consumer Price Index.

DATES: *Effective Date:* January 25, 2016, unless an office administering a program using the guidelines specifies a different effective date for that particular program.

ADDRESSES: Office of the Assistant Secretary for Planning and Evaluation, Room 404E, Humphrey Building, Department of Health and Human Services, Washington, DC 20201.

FOR FURTHER INFORMATION

CONTACT: For information about how the guidelines are used or how income is defined in a particular program, contact the Federal, state, or local office that is responsible for that program. For information about poverty figures for immigration forms, the Hill-Burton Uncompensated Services Program, and the number of people in poverty, use the specific telephone numbers and addresses given below.

For general questions about the poverty guidelines themselves, contact Kendall Swenson, Office of the Assistant Secretary for Planning and Evaluation, Room 422F.5, Humphrey Building, Department of Health and Human Services, Washington, DC 20201 - telephone: (202) 690-7507 - or visit <http://aspe.hhs.gov/poverty/>.

For information about the percentage multiple of the poverty guidelines to be used on immigration forms such as USCIS Form I-864, Affidavit of Support, contact U.S. Citizenship and Immigration Services at 1-800-375-5283.

For information about the Hill-Burton Uncompensated Services Program (free or reduced-fee health care services at certain hospitals and other facilities for persons meeting eligibility criteria involving the

poverty guidelines), contact the Health Resources and Services Administration Information Center at 1-800-275-4772. You also may visit <http://www.hrsa.gov/gethealthcare/affordable/hillburton/>.

For information about the number of people in poverty, visit the Poverty section of the Census Bureau's Web site at <http://www.census.gov/hhes/www/poverty/poverty.html> or contact the Census Bureau's Customer Service Center at 1-800-923-8282 (toll-free) and <http://ask.census.gov> for further information.

SUPPLEMENTARY INFORMATION:

Background

Section 673(2) of the Omnibus Budget Reconciliation Act (OBRA) of 1981 (42 U.S.C. 9902 (2)) requires the Secretary of the Department of Health and Human Services to update the poverty guidelines at least annually, adjusting them on the basis of the Consumer Price Index for all All Urban Consumers (CPI-U). The poverty guidelines are used as an eligibility criterion by the Community Services Block Grant program and a number of other Federal programs. The *poverty guidelines* issued here are a simplified version of the *poverty thresholds* that the Census Bureau uses to prepare its estimates of the number of individuals and families in poverty.

As required by law, this update is accomplished by increasing the latest published Census Bureau poverty thresholds by the relevant percentage change in the Consumer Price Index for All Urban Consumers (CPI-U). The guidelines in this 2016 notice reflect the 0.1 percent price increase between calendar years 2014 and 2015. After this inflation adjustment, the guidelines are rounded and adjusted to standardize the differences between family sizes. In rare circumstances, the rounding and standardizing adjustments in the formula result in small decreases in the poverty guidelines for some household sizes even when the inflation factor is not negative. In order to prevent a reduction in the guidelines in these rare circumstances, a minor adjustment was implemented to the formula beginning

this year. In cases where the year-to-year change in inflation is not negative and the rounding and standardizing adjustments in the formula result in reductions to the guidelines from the previous year for some household sizes, the guidelines for the affected household sizes are fixed at the prior year's guidelines. As in prior years, these 2016 guidelines are roughly equal to the poverty thresholds for calendar year 2015 which the Census Bureau expects to publish in final form in September 2016.

The poverty guidelines continue to be derived from the Census Bureau's current official poverty thresholds; they are not derived from the Census Bureau's new Supplemental Poverty Measure (SPM).

The following guideline figures represent annual income.

2016 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA

Persons in family/ <u>household</u>	Poverty <u>guideline</u>
1	\$ 11,880
2	16,020
3	20,160
4	24,300
5	28,440
6	32,580
7	36,730
8	40,890

For families/households with more than 8 persons, add \$4,160 for each additional person.

2016 POVERTY GUIDELINES FOR ALASKA

Persons in family/ <u>household</u>	Poverty <u>guideline</u>
1	\$14,840
2	20,020
3	25,200
4	30,380
5	35,560
6	40,740
7	45,920
8	51,120

2016 POVERTY GUIDELINES
FOR HAWAII

Persons in family/ <u>household</u>	Poverty <u>guideline</u>
1	\$13,670
2	18,430
3	23,190
4	27,950
5	32,710
6	37,470
7	42,230
8	47,010

For families/households with more than 8 persons, add \$4,780 for each additional person.

Separate poverty guideline figures for Alaska and Hawaii reflect Office of Economic Opportunity administrative practice beginning in the 1966-1970 period. (Note that the Census Bureau poverty thresholds – the version of the poverty measure used for statistical purposes – have never had separate figures for Alaska and Hawaii.) The poverty guidelines are not defined for Puerto Rico or other outlying jurisdictions. In cases in which a Federal program using the poverty guidelines serves any of those jurisdictions, the Federal office that administers the program is generally responsible for deciding whether to use the contiguous-states-and-DC guidelines for those jurisdictions or to follow some other procedure.

Due to confusing legislative language dating back to 1972, the poverty guidelines sometimes have been mistakenly referred to as the "OMB" (Office of Management and Budget) poverty guidelines or poverty line. In fact, OMB has never issued the guidelines; the guidelines are issued each year by the Department of Health and Human Services. The poverty guidelines may be formally referenced as "the poverty guidelines updated periodically in the **Federal Register** by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2)."

Some Federal programs use a percentage multiple of the guidelines (for example, 125 percent or 185 percent of the guidelines), as noted in relevant authorizing legislation or program regulations. Non-Federal organizations that use the poverty guidelines under

their own authority in non-Federally-funded activities also may choose to use a percentage multiple of the guidelines.

The poverty guidelines do not make a distinction between farm and non-farm families, or between aged and non-aged units. (Only the Census Bureau poverty thresholds have separate figures for aged and non-aged one-person and two-person units.)

Note that this notice does not provide definitions of such terms as "income" or "family," because there is considerable variation in defining these terms among the different programs that use the guidelines. These variations are traceable to the different laws and regulations that govern the various programs. This means that questions such as "Is income counted before or after taxes?", "Should a particular type of income be counted?", and "Should a particular person be counted as a member of the family/household?" are actually questions about how a specific program applies the poverty guidelines. All such questions about how a specific program applies the guidelines should be directed to the entity that administers or funds the program, since that entity has the responsibility for defining such terms as "income" or "family," to the extent that these terms are not already defined for the program in legislation or regulations.

Dated: January 21, 2016.

Sylvia M. Burwell,
Secretary of Health and Human Services.
[FR Doc. 2016-01450 Filed 1-22-16; 8:45am]
BILLING CODE 4150-05-P

**EFFECTIVE MARCH 26, 2016
FOR HILL-BURTON FACILITIES**

DEFINITION OF “FAMILY”
PREVIOUSLY PROVIDED IN GUIDELINES*

Family: A family is a group of two or more persons related by birth, marriage, or adoption who live together; all such related persons are considered as members of one family. For instance, if an older married couple, their daughter and her husband and two children, and the older couple's nephew all lived in the same house or apartment; they would all be considered members of a single family.

Unrelated individual: An unrelated individual is a person (other than an inmate of an institution) who is not living with any relatives. An unrelated individual may be the only person living in a house or apartment, or may be living in a house or apartment (or in group quarters such as a rooming house) in which one or more persons also live who are not related to the individual in question by birth, marriage, or adoption. Examples of unrelated individuals residing with others include a lodger, a foster child, a ward, or an employee.

Household: As defined by the Census Bureau for statistical purposes, a household consists of all the persons who occupy a housing unit (house or apartment), whether they are related to each other or not. If a family and an unrelated individual, or two unrelated individuals, are living in the same housing unit, they would constitute two family units (see next definition), but only one household. Some programs, such as the Food Stamp Program and the Low-Income Home Energy Assistance Program, employ administrative variations of the “household” concept in determining income eligibility. A number of other programs use administrative variations of the “family” concept in determining income eligibility. Depending on the precise program definition used, programs using a “family” concept would generally apply the poverty guidelines separately to each family and/or unrelated individual within a household if the household includes more than one family and/or unrelated individual.

Family Unit: “Family unit” is not an official U.S. Census Bureau term, although it has been used in the poverty guidelines Federal Register notice since 1978. As used here, either an unrelated individual or a family (as defined above) constitutes a family unit. In other words, a family unit of size one is an unrelated individual, while a family unit of two/three/etc. is the same as a family of two/ three/etc.

*If the definition of family provided above is used, it must include college students as follows: Students, regardless of their residence, who are supported by their parents or others related by birth, marriage, or adoption are considered to be residing with those who support them.

For families/households with more than 8 persons, add \$5,200 for each additional person

DEFINITION OF "INCOME" TO BE USED BY HILL-BURTON FACILITIES

For purposes of determining financial eligibility under the Hill-Burton uncompensated services program, income includes total annual cash receipts before taxes from all sources, with the exceptions noted below:

- wages and salaries before any deductions;
- net receipts from non-farm self-employment (receipts from a person's own unincorporated business, professional enterprise, or partnership, after deductions for business expenses);
- net receipts from farm self-employment (receipts from a farm which one operates as an owner, renter, or sharecropper, after deductions for farm operating expenses);
- regular payments from social security, railroad retirement, unemployment compensation, strike benefits from union funds, workers' compensation, veterans' payments, public assistance (including Aid to Families with Dependent Children or Temporary Assistance for Needy Families, Supplemental Security Income, and non-Federally-funded General Assistance or General Relief money payments), and training stipends;
- alimony, child support, and military family allotments or other regular support from an absent family member or someone not living in the household;
- private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments;
- college or university scholarships, grants, fellowships, and assistantships; and
- dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.

For official statistical purposes, income does not include the following types of money received:

- Capital gains;
- any assets drawn down as withdrawals from a bank, the sale of property, a house, or a car; and
- tax refunds, gifts, loans, lump-sum inheritances, one-time insurance payments, or compensation for injury.

Also excluded are noncash benefits, such as:

- employer-paid or union-paid portion of health insurance or other employee fringe benefits;
- food or housing received in lieu of wages;
- the value of food and fuel produced and consumed on farms;
- the imputed value of rent from owner-occupied non-farm or farm housing; and
- Medicare, Medicaid, food stamps, school lunches, and housing assistance.