



THE PARTNERSHIP FOR MEDICAID

April 17, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Minority Leader
U.S. Senate
Washington, DC 20510

Dear Speaker Pelosi, Leader McCarthy, Majority Leader McConnell and Leader Schumer,

The Partnership for Medicaid – a nonpartisan, nationwide coalition made up of organizations representing clinicians, health care providers, safety net plans, counties, and labor – calls on the United States Congress to prioritize Medicaid as part of any forthcoming legislative efforts to address the COVID-19 pandemic.

First and foremost, the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) created a Public Health and Social Services Emergency Fund (PHSSEF) to provide up to \$100 billion in funding for health care providers. Medicaid providers have joined in the national response to COVID-19 and have taken on significant financial challenges due to lost revenues and increased costs. The Centers for Medicare & Medicaid Services (CMS) distributed \$30 billion of this funding based solely on Medicare services. **Congress must ensure that a proportionate amount is provided to ALL Medicaid providers impacted by the COVID-19 pandemic for the remaining \$70 billion and for any additional dollars added to the fund.** Medicaid providers are the safety net for individuals with low incomes and urgently require relief to maintain this critical role during this public health crisis and beyond.

As a source of coverage for one in five Americans, Medicaid plays a key role in connecting individuals to testing and treatment for COVID-19. The federal government must do more to enhance states capacity to provide access to care through Medicaid. In this next round of financial relief, **we strongly urge Congress to further increase the Federal Medical Assistance Percentage (FMAP) for Medicaid by 5.8 percent, for a total increase of 12 percent.** This increase echoes the [National Governors' Association](#) and the [National Association of Medicaid Directors](#) requests to Congress, building on the initial FMAP increase in the *Families First Coronavirus Response Act*. In addition, we implore Congress to extend the length of this enhanced FMAP beyond the termination of the national emergency declaration given health and economic considerations and ensure increased support for Medicaid providers.

Medicaid covers over 70 million lives and providing an FMAP increase of 12 percent is critical for states to ensure Medicaid beneficiaries have access to care during this public health emergency and current economic downturn. An FMAP increase, given the data from economic downturns, is a proven way to deliver rapid economic relief that saves or create jobs, and is a hedge against disruption of services, particularly frontline ones, during the COVID-19 crisis. While the current 6.2 percent increase is a starting point, it is the same figure used during the recession of 2008-2010. Considering the severity of the COVID-19 outbreak and resulting

downward economic trajectory, the enhanced FMAP for states should remain until the outbreak is contained and economic indicators illustrate a robust economic recovery.

Congress must extend this crucial support to states throughout the recovery period, rather than ending the enhanced FMAP once the national emergency declaration is terminated. The enhanced FMAP must be linked to specific economic triggers to determine the duration of the increase. Triggers include per capita income losses, gross domestic product changes, sales tax collection fluctuations and changes in the unemployment rate.

Additionally, the Partnership for Medicaid recommends that Congress consider the following to strengthen the Medicaid program and ensure a strong safety-net to protect our most vulnerable patients.

- **Prevent Implementation of the Medicaid Fiscal Accountability Regulation (MFAR)**
In a formal [comment letter](#) sent to CMS in February 2020, the Partnership requested that the MFAR be withdrawn. The MFAR would negatively affect beneficiaries' access to care and limit states' ability to finance this program. Given the added challenges facing hospitals, providers, states, and the entire health care system due to COVID-19, Congress must block CMS from finalizing the shortsighted and damaging MFAR.
- **Raise Medicaid Payment Levels to At Least Medicare Rates:** The health care infrastructure cannot continue to absorb this disparity in payment and function efficiently. For example, Medicaid payment is 66 percent of Medicare for primary care services and can be as low as 33 percent of Medicare rates depending on the state. Lack of parity between these rates is acutely felt in underserved or rural areas where patient volume and payer mix is much lower than in densely populated areas.
- **Apply the FMAP Continuous Eligibility Maintenance of Effort Requirement to Enrollees Covered in Separate Children's Health Insurance Programs (CHIP):** Section 6008(b)(3) of the *Families First Coronavirus Response Act* prohibits states accepting the 6.2 percent FMAP increase from disenrolling Medicaid enrollees until the end of the emergency period. Currently, this requirement excludes children and pregnant women covered in separate CHIP programs. To ensure that all health care consumers with low incomes retain access to critical health care and coverage, we urge Congress to extend this protection to all CHIP enrollees.
- **Delay the CHIP Funding Cliff by One Year:** The E-FMAP bump of 23 percentage points enacted as part of the CHIP funding extension is scheduled to be eliminated over two years, starting in 2020. This funding decline continues with an 11.5 percentage point decline in FY 2021. Congress should postpone the 2021 funding decline by one year.
- **Suspend Implementation of the Public Charge Regulation:** Concerns and confusion over enforcement of the public charge regulation encourages disenrollment from Medicaid and other social programs during a time when access to testing, treatment, and care is critical and in the best interests of public health during this public health emergency. The Partnership previously [requested](#) that the public charge rule be withdrawn; we encourage Congress to intervene and place a moratorium on the public charge regulation.

We encourage Congress to incorporate the above proposals in the next COVID-19 legislative relief package. The Partnership for Medicaid looks forward to working with Congress to preserve and strengthen the Medicaid program through this uncertain time and support its vital role as the safety net for Americans. If you have questions on any of the priorities discussed in this letter, please contact Shelby Higgins at the American Academy of Family Physicians, First

Co-Chair of the Partnership for Medicaid at shiggins@aafp.org or partnershipformedicaid@gmail.com.

Sincerely,
American Academy of Family Physicians
American Academy of Pediatrics
American College of Obstetricians and Gynecologists
America's Essential Hospitals
Association for Community Affiliated Plans
Association of Clinicians for the Underserved
Catholic Health Association of the United States
Children's Hospital Association
Easterseals
The Jewish Federations of North America
Medicaid Health Plans of America
National Association of Community Health Centers
National Association of Counties
National Association of Pediatric Nurse Practitioners
National Association of Rural Health Clinics
National Council for Behavioral Health
National Health Care for the Homeless Council
National Hispanic Medical Association
National Rural Health Association