



THE PARTNERSHIP FOR MEDICAID

July 20, 2020

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

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

Dear 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 Senate to prioritize Medicaid as part of any forthcoming legislative efforts to address the COVID-19 pandemic.

First and foremost, we want to thank you for the initiatives that have bolstered the Medicaid program in the *Families First Coronavirus Response Act* (P.L. 116-127) and the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) (P.L. 116-136) during the early stages of this crisis. We urge you, in the next package, to build on these gains to ensure that states are able to fully maintain their Medicaid programs and health care providers and plans can continue to provide needed services to our nation's most vulnerable: low-income children, pregnant women, parents, individuals with disabilities, seniors, and other adult Medicaid beneficiaries across the country.

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 at a minimum.** This increase echoes requests from the bipartisan National Governors' Association, the National Association of Medicaid Directors and the National Association of State Budget Officers. Recently, over [one hundred organizations joined](#) with these national associations representing local, state, and territorial governments in calling on Congress to again boost the FMAP. In addition, we implore Congress to extend the length of this enhanced FMAP beyond the termination of the national emergency declaration given this extraordinary health and economic crisis and ensure increased support for Medicaid providers.

Providing an FMAP increase of at least 12 percent is critical to ensure that the more than 70 million Medicaid beneficiaries nationwide continue to have access to care during this public health emergency and current economic downturn. An FMAP increase, citing data from past economic downturns, is a proven way to deliver rapid economic relief that saves or create jobs and prevent disruption of services, particularly those on the frontlines, during the COVID-19 crisis. 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, and must be linked to specific economic triggers to determine the duration of the increase, such as per



THE PARTNERSHIP FOR MEDICAID

capita income losses, gross domestic product changes, sales tax collection fluctuations, or changes in the unemployment rate.

We also ask that the Senate **include additional funding and instructions to prioritize relief for Medicaid providers in the Public Health and Social Services Emergency Fund (PHSSEF)** created under the CARES Act. Many of our members were adversely affected by the delays in initial disbursements of the PHSSEF, as the U.S. Department of Health and Human Services (HHS) prioritized providers serving Medicare patients. These delays necessitated bipartisan inquiries from Congress which urged HHS to swiftly release these funds. We recommend that the Senate include language to ensure equitable relief for safety net providers and those who serve large numbers of Medicaid beneficiaries who continue to face tremendous financial challenges during time.

We also strongly urge that the Senate **include language to prevent implementation of the Medicaid Fiscal Accountability Regulation (MFAR)**. In a formal [comment letter](#) sent to CMS in February 2020, the Partnership requested the withdrawal of MFAR, which would negatively affect beneficiaries' access to care and limit states' ability to finance this program. We are concerned that the Office of Management and Budget (OMB) has published a notice that aims to finalize this regulation in September. Given the added challenges facing hospitals, providers, states, and the entire health care system due to the COVID-19 pandemic, Congress must intervene and prevent CMS from finalizing the shortsighted and damaging MFAR.

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:

- **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



THE PARTNERSHIP FOR MEDICAID

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 a safety net for millions of Americans. If you have questions on any of the priorities discussed in this letter, please contact Eric Waskowicz at the American Academy of Family Physicians, First Co-Chair of the Partnership for Medicaid at EWaskowicz@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 of Clinicians for the Underserved
Association for Community Affiliated Plans
Catholic Health Association of the United States
Children's Hospital Association
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