



May 26, 2020

The Honorable Mitch McConnell  
 U.S. Senate  
 317 Russell Senate Office Building  
 Washington, DC 20510

The Honorable Nancy Pelosi  
 U.S. House of Representatives  
 1236 Longworth House Office Building  
 Washington, DC 20515

The Honorable Charles Schumer  
 U.S. Senate  
 322 Hart Senate Office Building  
 Washington, DC 20510

The Honorable Kevin McCarthy  
 U.S. House of Representatives  
 2468 Rayburn House Office Building  
 Washington, DC 20515

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

The undersigned organizations, representing millions of patients and consumers across the country who face serious, acute, and chronic health conditions, urge Congress to strengthen the Medicaid program in future legislation to address the COVID-19 pandemic. Many of our patients are among the 70 million Americans who currently receive their healthcare coverage through Medicaid or the Children's Health Insurance Program (CHIP), and the economic impact of this crisis will dramatically increase the need for

these programs to help patients access testing and treatment for COVID-19, as well as necessary care for their other health conditions. In addition to our earlier recommendations to improve access to quality and affordable healthcare coverage broadly,<sup>1</sup> our organizations request that Congress take swift action on the following policies specifically related to the Medicaid program.

### **Additional Funding for State Medicaid Programs That Protects Patients' Coverage**

First and foremost, additional federal funds to support state Medicaid programs are needed immediately. State Medicaid programs provide a vital safety net during this national crisis, covering traditionally underserved populations and helping to treat those infected with the virus. Estimates suggest that nearly 13 million individuals who have lost employer sponsored coverage are eligible for Medicaid, and that number will rise to 17 million by January 2021.<sup>2</sup> Recognizing the significant impact this increase will have on state budgets, it is critical that increased federal support be made available. Our organizations strongly supported the 6.2 percentage point increase in the federal medical assistance percentage (FMAP) for states in the Families First Coronavirus Response Act and urge Congress to raise the FMAP increase from 6.2 to at least 14 percentage points.

Our organizations ask Congress to extend the length of time that states can receive these additional FMAP funds. The economic impact of COVID-19 is likely to last much longer than the public health emergency declaration. CBO estimates that the unemployment rate will be nine percent at the end of 2021, meaning that states will see an increased need for Medicaid coverage for months and even years to come.<sup>3</sup> Our organizations urge Congress to extend the FMAP increase of at least 14 percentage points through at least June 30, 2021 to ensure that Medicaid can continue to provide coverage to those most in need.

Recognizing the importance of continuous Medicaid coverage, the Families First Coronavirus Response Act included maintenance of effort requirements for the enhanced FMAP that prevent states from imposing more restrictive eligibility standards or increased premiums and cost-sharing during the public health emergency, as well as significantly limit the circumstances in which states can disenroll current or newly enrolled beneficiaries. These protections are critical to ensuring that patients with serious and chronic conditions continue to receive affordable, appropriate and accessible coverage during a period in which there will be enormous pressure on states to reduce costs, and our organizations have deep concerns about efforts to weaken these protections as whole and in specific states. Our organizations strongly urge Congress to preserve these protections in their entirety in any future COVID-related legislation and extend them beyond the public health emergency period.

The FMAP increase included in the Families First Coronavirus Response Act does not apply to Medicaid expansion or states' administrative spending. As with other eligibility groups, enrollment in the Medicaid expansion eligibility group is also expected to increase significantly as a result of COVID-19. Additionally, states will likely need to invest substantial resources in their eligibility workforce and systems as Medicaid enrollment increases over the coming months. Our organizations support increasing the FMAP for both of these spending categories as well. We also ask Congress to include targeted support for home and community-based services (HCBS). HCBS are critically important during this time to ensure

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<sup>1</sup> <https://www.lung.org/getmedia/008bea74-7ed8-41a3-9342-1ff313fc46ad/041420-coalition-letter-re-covid-4th-leg-package-final.pdf>

<sup>2</sup> Eligibility for ACA Health Coverage Following Job Loss, Kaiser Family Foundation. May 13, 2020. Accessed at: <https://www.kff.org/coronavirus-covid-19/issue-brief/eligibility-for-aca-health-coverage-following-job-loss/>

<sup>3</sup> Updating CBO's Economic Forecast to Account for the Pandemic, Congressional Budget Office. April 2, 2020. Accessed at: <https://www.cbo.gov/publication/56314>

that people with chronic conditions and disabilities can remain in their homes and avoid hospitalization and nursing homes.

In addition to increased funding specifically for state Medicaid programs, our organizations also support additional relief for states as they face drastically reduced revenues due to the COVID-19 pandemic. This relief will help states to minimize dangerous cuts to other programs that support the health and wellbeing of the patients we represent.

### **Financial Incentives to Expand Medicaid**

Expanding Medicaid is a critical step in reducing our nation's uninsured rate, a goal that the COVID-19 crisis has made even more urgent. Prior to the pandemic, the expansion of Medicaid coverage to all individuals with incomes below 138 percent of the federal poverty level (\$2,497/month for a family of three) could extend quality and affordable coverage to 4.8 million uninsured adults living in states that have not taken up this expansion to date.<sup>4</sup> Furthermore, 1.9 million more individuals are expected to fall in the coverage gap due to a loss of employer-sponsored insurance as a result of the COVID-19 pandemic.<sup>5</sup> The benefits of expansion are clear, including improved access to coverage and positive health outcomes for patients, as well as economic benefits to states and hospitals. Our organizations request that Congress provide 100 percent FMAP for the first three years that states expand their Medicaid programs, a financial incentive that was available to states that expanded their programs in 2013.

### **No-Cost Testing and Treatment for the Uninsured**

The Families First Coronavirus Response Act authorized state Medicaid programs to cover the cost of COVID-19 testing for the uninsured with 100% federal funding. Our organizations strongly supported this provision, as it is critical that anyone who needs diagnostic testing related to COVID-19 can receive testing at no cost. Similarly, we cannot allow affordability of treatment for COVID-19 to become a barrier that prevents people from taking appropriate action if they show symptoms, and our organizations urge Congress to authorize state Medicaid programs to cover COVID-19 treatment for the uninsured with 100% federal funding as well. Our organizations are also concerned that not all states have taken up the option to provide no-cost testing. As a result, we ask Congress to consider extending both of these provisions past the public health emergency declaration, as they will encourage greater uptake by states if consistently available as long as needed.

### **Additional Funding for Safety Net Provider Relief**

Congress established the Provider Relief Fund to support healthcare providers who are serving a crucial role in the COVID-19 response. However, the first round of funding was distributed to providers based on their Medicare fee-for-service revenue, and subsequent distributions have continued to disadvantage healthcare providers that primarily serve patients with Medicaid and CHIP coverage. As the nonpartisan Medicaid and CHIP Payment and Access Commission (MACPAC) and other stakeholders have noted, it is critical that safety net providers be prioritized in future relief funds so that they can continue to serve some of our most vulnerable patients during and after the COVID-19 pandemic.<sup>6</sup>

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<sup>4</sup> The Coverage Gap: Uninsured Poor Adults in States that Do Not Expand Medicaid, Kaiser Family Foundation, Jan. 14, 2020. Accessed at: <https://www.kff.org/medicaid/issue-brief/the-coverage-gap-uninsured-poor-adults-in-states-that-do-not-expand-medicaid/>.

<sup>5</sup> Eligibility for ACA Health Coverage Following Job Loss, Kaiser Family Foundation. May 13, 2020. Accessed at: <https://www.kff.org/coronavirus-covid-19/issue-brief/eligibility-for-aca-health-coverage-following-job-loss/>.

<sup>6</sup> Letter to the CMS Administrator on CARES Act Fund Distribution, MACPAC, April 2020. Accessed at: <https://www.macpac.gov/publication/letter-to-the-cms-administrator-on-cares-act-fund-distribution/>.

Additional relief for these providers, in combination with the increased FMAP support discussed above, is necessary to help states minimize significant rate cuts that threaten to access to specialists and primary care providers for patients with serious and chronic conditions. Our organizations urge Congress to prioritize relief for the safety net providers in future legislation.

### **Extend Support to CHIP and Delay Funding Reductions**

Many of the crucial provisions related to providing additional support to state Medicaid programs and protecting patients' coverage in the Families First Coronavirus Response Act did not extend to CHIP. CHIP is a crucial source of coverage for children and pregnant women; coverage that will be particularly important as we continue to learn more about the impact of COVID-19 on children's health. Our organizations ask Congress to delay a scheduled cut in the FMAP for CHIP and extend the current maintenance of effort provisions for Medicaid in the Families First Coronavirus Response Act to CHIP to protect children who receive their coverage through that program.

### **Halt Medicaid Fiscal Accountability Rule**

Finally, many of our organizations submitted comments in January expressing concerns about provisions in the Administration's proposed Medicaid Fiscal Accountability Rule. This rule, if finalized, would disrupt states' ability to pay for their share of Medicaid programs and severely weaken their capacity to effectively address the needs of patients with serious and chronic health conditions. We continue to share those concerns and believe that finalizing the rule now would cause additional harm by undermining many of the health and economic benefits of the increased FMAP funding for state Medicaid programs. We therefore request that Congress block the Administration from finalizing the Medicaid Fiscal Accountability Rule.

The COVID-19 pandemic has made abundantly clear that all people need access to adequate and affordable health insurance coverage now more than ever. Medicaid is already a critical source of coverage for our patient communities and can provide a lifeline to patients in need of coverage during this critical time, help stop the spread of this virus and support our nation through the difficult weeks and months ahead in the COVID-19 pandemic. However, Medicaid can only serve as a safety net for the millions of Americans who have lost their jobs and health insurance as a result of COVID-19 if the federal government helps the program function by temporarily shouldering more of the financial burden. Our organizations ask you and your colleagues to adopt these policies to support the Medicaid program and the individuals and families that rely upon it to seek and afford timely treatment and care. For more information or to discuss further, please direct your staff to contact Erika Sward of the American Lung Association at [erika.sward@lung.org](mailto:erika.sward@lung.org). Thank you for your consideration.

Sincerely,

American Cancer Society Cancer Action Network  
American Kidney Fund  
American Lung Association  
Arthritis Foundation  
Cancer Support Community  
CancerCare  
Chronic Disease Coalition  
COPD Foundation  
Crohn's & Colitis Foundation  
Cystic Fibrosis Foundation

Epilepsy Foundation  
Family Voices  
Hemophilia Federation of America  
Leukemia & Lymphoma Society  
Lutheran Services in America  
March of Dimes  
Mended Little Hearts  
Muscular Dystrophy Association  
National Coalition for Cancer Survivorship  
National Health Council  
National Hemophilia Foundation  
National Kidney Foundation  
National Multiple Sclerosis Society  
National Organization for Rare Disorders  
National Patient Advocate Foundation  
National Psoriasis Foundation  
Pulmonary Hypertension Association  
Susan G. Komen  
The AIDS Institute  
United Way Worldwide  
WomenHeart: The National Coalition for Women with Heart Disease