

April 1, 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,

On behalf of the Medicaid Health Plans of America (MHPA), the leading national trade association representing more than 90 Medicaid managed care organizations (MCOs) serving more than 23 million Medicaid beneficiaries in 36 states, I write to thank you for your quick action on the Coronavirus Preparedness and Response Supplemental Appropriations Act, the Families First Coronavirus Response Act and the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Taken together, these laws represent incredibly important steps in addressing the COVID-19 pandemic that poses a threat to all Americans, including the more than 70 million low-income and vulnerable individuals and families that rely on Medicaid for high quality health coverage and care. We thank you for your quick action to protect this vulnerable population through the elimination of cost-sharing for testing for Medicaid beneficiaries and by increasing Medicaid funding for states during this challenging and uncertain time. The actions Congress has taken to date are critical in helping to slow the spread of COVID-19, thereby saving lives, and protecting our health care system.

As you know, Medicaid is an essential and effective source of care for the most vulnerable populations in our country. We recognize that COVID-19 will have significant short- and long-term consequences, both health and economic, on this critical safety net program. Further, we expect state Medicaid agencies to be under significant stress, with resources and funding stretched to the limit. Given these significant challenges, MHPA believes additional support is needed and requests that Congress take the following actions in future COVID-19-related legislation:

- **Additional Funding for State Medicaid Programs:** MHPA echoes calls from states and their governors to increase the Medicaid FMAP (Federal Medical Assistance Percentage) by at least a total of 12 percent, which is on par with what many states received under the 2009 American Recovery and Reinvestment Act. While the Families First Coronavirus Response Act included an increase of 6.2 percent, additional Medicaid funding is necessary to get the FMAP to this 12 percent level to ensure that state Medicaid programs have the resources they need to maintain high quality, comprehensive coverage. Additional FMAP increases should extend to Medicaid expansion populations and allow states that expand Medicaid after 2014 to benefit from the enhanced FMAP that was available for states that did expand in that first year, at least on a temporary basis, for the duration of the national emergency.

- **Freezing any disenrollment and eligibility redeterminations of Medicaid beneficiaries, nationwide, at least for the duration of the national emergency:** Disenrolling and/or conducting eligibility redeterminations for current Medicaid beneficiaries during this time would delay or prevent COVID-19 testing and treatment for the beneficiaries that lose their coverage.
- **Maintaining CHIP Financing During the Public Health Emergency:** As states and the federal government continue to allocate critical health care dollars and resources to address the COVID-19 pandemic, we would ask that the upcoming reduction of the enhanced CHIP FMAP on October 1, 2020 be suspended. Maintaining the current 11.5 percent increase to the enhanced FMAP maintains the administrative and fiscal status quo for CHIP programs that are on the front lines of addressing the current COVID-19 crisis and is an existing conduit for the federal government to provide additional resources to states and local governments.
- **Lifting Medicaid Payment Exclusion for Incarcerated Populations:** Due to crowded conditions and tight quarters, prisons may be more susceptible to widespread COVID-19 infections. MHPA recommends lifting the Medicaid payment exclusion, which is a barrier to enrolling incarcerated individuals in Medicaid coverage. MHPA recommends a temporary allowance for medical assistance under Medicaid for inmates during the 30-day period preceding release from incarceration; we also suggest these individuals be auto enrolled and/or have access to expedited redetermination into Medicaid upon release from incarceration.
- **Institute a Moratorium on the Medicaid Fiscal Accountability Regulation (MFAR):** In a formal [comment letter](#) sent to the Centers for Medicare and Medicaid Services (CMS) in February 2020, MHPA requested that the MFAR be withdrawn. Given the incredible challenges facing hospitals, long-term care providers, states, and the entire health care system due to COVID-19, a moratorium must be placed on MFAR immediately.
- **Delay Implementation of the Interoperability Rules:** Prior to the COVID-19 crisis, MHPA wrote in a June 2019 [comment letter](#) to CMS/Office of the National Coordinator (ONC) that the compliance undertaking required by these rules is considerable and the short implementation timeline is overly aggressive with an unacceptable level of risk. The COVID-19 crisis severely exacerbates these issues. MHPA requests that Congress encourage CMS/ONC to delay implementation of these rules for at least 2 years.
- **Pause Medicaid Provisions in the Public Charge Regulation for, at a Minimum, the Duration of the COVID-19 Public Health Emergency:** Concerns and confusion over enforcement of the public charge regulation encourages disenrollment from Medicaid for non-citizens during a time when access to testing, treatment, and care is critical and in the best interests of public health. At a minimum, we encourage Congress to pause the Medicaid-related provisions of the Public Charge Regulation.
- **Actuarial Soundness:** Congress should clarify in statutory language that the Department of Health and Human Services (HHS)/CMS cannot waive the requirement for actuarial soundness (Section 438.4(a) of Medicaid managed care rules) through demonstration authority, including under 1135 waivers related to disaster relief or under 1115 waivers.

- **Increased funding and Financial Tools to Protect the Health Care Safety-Net:** The federal investment in the Coronavirus Aid, Relief, and Economic Security (CARES) Act provided critical funding, through direct grants and access to loans to community safety-net providers, such as Community Health Centers who are in financial and operational crisis. As the public health emergency continues, and the safety net continues to stretch to meet the needs of families, including those on Medicaid, additional resources will help meet the immediate needs of these providers while ensuring that they are still solvent and viable once the public health emergency subsides.
- **Creation of Medicaid Waivers to meet Social Determinants of Health During the Public Health Emergency:** COVID-19 continues to place additional strain on our health and social service sectors as they work to identify and meet the increasing need for health care services and basic supplies, such as food. While there has been significant movement in addressing both the social and medical needs of Medicaid individuals and families, the current crisis is creating increased pressures for critical services, such as food access and transportation, at a time when the supply of these services is being stretched. Allowing Medicaid, through the waiver process, to pay for basic services for vulnerable populations, such as food and non-medical transportation, provides immediate assistance to beneficiaries in the community, while extending a new and needed financial stream to key community-based organizations and Medicaid providers that deliver these services.

We thank you for your consideration of the above-mentioned policy proposals. Nearly three-quarters of all Medicaid beneficiaries receive health care through MCOs; MHPA and our member health plans, which include both for-profit and non-profit, national and regional, as well as single-state health plans, are committed to continuing to work with the federal government to ensure the response to COVID-19 recognizes the unique needs of Medicaid beneficiaries. If you have questions on any of the priorities discussed in this letter, please feel free to reach out to me directly at (202) 857-5771 or to Shannon Attanasio, Vice President, Government Relations and Advocacy at (202) 857-5723 or (sattanasio@mhpA.org).

Sincerely,



Craig A. Kennedy, MPH
President and CEO