

May 4, 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 only national trade association with a sole focus on Medicaid, representing more than 90 Medicaid managed care organizations (MCOs) serving more than 23 million Medicaid beneficiaries in 37 states, I write to thank you for your action to date on legislation responding to the public health emergency caused by the COVID-19 pandemic. Together, the Coronavirus Preparedness and Response Supplemental Appropriations Act, the Families First Coronavirus Response Act, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and the Paycheck Protection Program and Health Care Enhancement Act 2020, represent critically important steps in addressing the immediate and severe health care and economic issues caused by the coronavirus pandemic, including to the more than 70 million Medicaid beneficiaries that rely on the program for high quality health coverage and care.

On April 1, ***MHPA sent a [letter](#) to you requesting your consideration of several Medicaid-related policies for inclusion in any future COVID-19 legislation.*** COVID-19 has already resulted in what will be long-term consequences, both health and economic, on state Medicaid programs and the beneficiaries served by the States and MCOs. Given the significant challenges facing Medicaid, we strongly encourage you to include the proposals outlined in our [April 1 letter](#) in the “Phase 4” COVID-19 legislation, including, but not limited to, an additional Medicaid FMAP (Federal Medical Assistance Percentage) of 5.8 percent and a withdrawal of the Medicaid Fiscal Accountability Regulation (MFAR).

Medicaid FMAP

MHPA continues to echo calls from [governors](#), [state Medicaid directors](#) and [state budget officers](#), requesting that another temporary FMAP increase be included in Phase 4 legislation. An additional FMAP enhancement of 5.8 percent (to bring the total increase to 12 percent) is on par with what many states received under the 2009 American Recovery and Reinvestment Act. And, due to the dire economic consequences of the coronavirus pandemic and the counter-cyclical nature of Medicaid, we urge Congress to make this 12 percent FMAP retroactive to January 1, 2020 and request that the FMAP remain in place, at a minimum, until September 30, 2021. We implore Congress to extend the length of any enhanced FMAP increases beyond the termination of the national emergency declaration. As state residents continue to lose jobs and income in the coming months, more individuals will turn to Medicaid for health

coverage which will place significant and severe burdens on state budgets. An additional long-term FMAP increase that is tied to the current economic situation is imperative to sustaining Medicaid programs that are already being stretched thin. Additionally, FMAP increases should extend to Medicaid expansion populations. Congress should also act to allow states that expand Medicaid after 2014 to benefit from the enhanced FMAP that was available for states that opted to expand in that first year.

MHPA also requests that Congress maintain the Medicaid maintenance of effort (MOE) provisions that were included in the Families First Coronavirus Response Act in any future COVID-19 relief legislation. Disenrolling current Medicaid beneficiaries during this public health emergency would only worsen the health and economic challenges facing our beneficiaries.

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. MHPA believes the uncertainty surrounding the proposed policies in MFAR and their potential impact on state Medicaid financing and supplemental provider payments would disrupt the entire Medicaid program ecosystem putting access to care for all Medicaid beneficiaries at risk. MFAR has potentially grave consequences on health care providers, states, and beneficiaries, and is now completely unworkable given the current public health emergency and the incredible challenges currently facing hospitals, long-term care providers, states, and the entire health care system. We continue to believe that MFAR should be withdrawn, but at the very least a moratorium should be immediately placed on the regulation.

We thank you for your consideration of this request, and those made in our [April 1 letter](#), and look forward to continuing to work with you and your staff to ensure that the legislative response to COVID-19 addresses the dire needs of state Medicaid programs and the beneficiaries served by MCOs. 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@mhp.org.

Sincerely,



Craig A. Kennedy, MPH
President and CEO