

July 16, 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:

On behalf of the Medicaid Health Plans of America (MHPA), the only national trade association with a sole focus on Medicaid, representing over 100 Medicaid managed care organizations (MCOs) serving more than 25 million Medicaid beneficiaries in 38 states, I write to urge you to act swiftly on additional legislation to address the severe health care and economic issues that continue to plague our country caused by the coronavirus pandemic. ***Securing an additional Medicaid Federal Medical Assistance Percentage (FMAP) increase that lasts beyond the national public health emergency declaration remains MHPA's top priority for future COVID-19 response legislation.*** In addition, we would encourage your consideration of several Medicaid policy proposals intended to support state Medicaid programs and the more than 70 million beneficiaries they serve during this extremely challenging time.

#### **Medicaid FMAP**

**FMAP Increased to at Least 12 Percent through September 2021:** MHPA stands with governors, state Medicaid directors, and state budget officers in requesting that a second temporary FMAP increase be included in 'Phase 4' legislation. An additional FMAP enhancement of at least 5.8 percent (to bring the total increase to 12 percent) must be included in any final Senate COVID-19 response legislation. 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. Prior to September 30, 2021, Congress should assess the need to continue enhanced FMAP tied to the current economic situation (i.e. unemployment rate) and the countercyclical nature of the program. Unemployment numbers remain high across the states and more individuals are turning to Medicaid for health coverage, which is placing significant and severe burdens on state budgets. We urge Congress to consider a long-term FMAP increase to address these serious fiscal impacts and ensure a speedier economic recovery.

**Request the Medicaid and CHIP Payment and Access Commission (MACPAC) to Study Proposals Coupling Future FMAP Increases to Unemployment Rates:** As already noted, MHPA believes that an additional long-term FMAP increase tied to the current economic situation may be necessary to sustain Medicaid programs already being stretched thin. MHPA therefore suggests Congress ask MACPAC to study proposals that seek to tie future FMAP increases to state unemployment levels and report back within six months on a recommended approach based on its analysis.

**Maintenance of Effort:** Congress should 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.

Restricting eligibility or other policies designed to reduce Medicaid enrollment would only worsen the health and economic challenges currently facing Medicaid beneficiaries. However, if necessary, language should be added to ensure that the MOE does not unintentionally prevent changes in eligibility for benefits attributable to age or health status.

#### **Additional Recommendations for Phase 4 Legislation**

**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 states, hospitals, long-term care providers, and the entire health care system due to COVID-19, we again ask that a legislative moratorium be placed on MFAR immediately.


**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 ask that the upcoming reduction of the enhanced CHIP FMAP on October 1, 2020 be suspended until at least September 30, 2021. 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.

**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 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.

We thank you for your consideration of our requests and look forward to continuing to work with you and your staff to ensure that the next legislative response to COVID-19 addresses the long-term 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@mhpa.org](mailto:sattanasio@mhpa.org).

Sincerely,



Craig A. Kennedy, MPH  
President and CEO