

December 14, 2020

President-Elect Joseph R. Biden  
Office of the Presidential-Elect  
Biden Harris Transition Team  
Washington, DC

Dear President-elect Biden:

On behalf of the Medicaid Health Plans of America (MHPA), I write to congratulate you and Vice President-Elect Kamala Harris and to express our members' willingness and excitement to work and collaborate closely with your Administration on a health care agenda that is focused on protecting and improving the Medicaid program for the more than 75 million Americans that rely on this vital federal-state partnership for high-quality, coordinated, and comprehensive coverage.

I also write to you today to outline MHPA's immediate 2021 priorities, both legislative and regulatory, for consideration by your new Administration. We believe many of these priorities are shared with your Administration and very much look forward to working with you to build on and improve health coverage and care over the next four years.

The Medicaid Health Plans of America (MHPA) is the only national trade association with a sole focus on Medicaid, representing more than 120 managed care organizations (MCOs) serving nearly 36 million Medicaid beneficiaries in 38 states. MHPA's members include both for-profit and non-profit, national and regional, as well as single-state health plans that compete in the Medicaid market. Nearly three-quarters of all Medicaid beneficiaries receive health care through MCOs, and our association provides research and advocacy services that support policy solutions to enhance the delivery and coordination of comprehensive, cost-effective, and quality health care for Medicaid beneficiaries.

## **Legislative**

### **Securing an Additional Medicaid Federal Medical Assistance Percentage**

Securing an additional Medicaid Federal Medical Assistance Percentage (FMAP) increase [remains MHPA's top legislative priority](#). Over the course of the pandemic, this priority has consistently been echoed by governors, state Medicaid directors, state budget officers, along with hundreds of provider and beneficiary-focused groups. An additional FMAP enhancement of at least 5.8 percent (to bring the total increase to at least 12 percent) is necessary to address the dire economic and health consequences of the coronavirus pandemic. Since the pandemic began, Medicaid enrollment has increased by more than 4 million beneficiaries, and continued growth in enrollment is expected over the coming months as COVID-19 cases surge again across the country. The growing reliance on state Medicaid programs coincides with unprecedented state budget pressures that experts consistently predict will be worse than the Great Recession. In order to balance their budgets, states are facing deep cuts which will have severe impacts on Medicaid agencies, providers, and beneficiaries that rely on the program for high quality coverage and

care. MHPA's members continue to see states propose and enact unsustainable rate cuts and harmful risk corridors, which threaten the continued viability of state-managed care partnerships. States are also cutting provider rates and scaling back optional benefits, such as dental coverage. *To minimize severe cuts to state Medicaid budgets, and to avoid disruptions in care and services for beneficiaries at a critical time for our country, we encourage your Administration to work with Congress to provide enhanced federal funding for Medicaid, through an additional FMAP increase of at least 5.8 percent that runs through at least September 2021.*

### **State Plan Option to Extend Continuous Medicaid and CHIP Eligibility for 12 Months Postpartum**

MHPA supports the creation of a new state plan option to extend continuous Medicaid and CHIP (Children's Health Insurance Plan) eligibility for 12 months postpartum, which would be a significant step forward in helping to address gaps in maternal and infant health in the Medicaid program. In the past two decades, the U.S. maternal mortality rate has steadily increased, and more than half of pregnancy-related maternal deaths occur after delivery. Further, this is also a matter of health equity, as black women are three to four times more likely to die of pregnancy-related causes than white women. While babies born to mothers receiving Medicaid or CHIP coverage are automatically eligible for coverage, in many states, Medicaid eligibility for mothers ends at 60 days postpartum, which blocks women from access to coverage and care during the critical period post-pregnancy and birth. A state option to extend continuous eligibility after the 60-day period would support state Medicaid programs in their quest to provide high quality, comprehensive health coverage to women postpartum. We commend the House of Representatives for passing *H.R. 4996, the Helping Medicaid Offer Maternity Services (MOMS) Act*, bipartisan legislation giving states an option to expand Medicaid coverage for new moms and [MHPA has urged](#) the Senate to pass similar legislation before the end of 2020. *To prevent avoidable and premature deaths, and help women and their families live healthier lives, we urge your Administration to work with Congress to pass this new state plan option.*

## **Administrative/Regulatory Priorities**

### **Extension of the Public Health Emergency**

As coronavirus cases surges again across the country, *it is imperative that the current COVID-19 public health emergency (PHE) immediately be extended.* The most recent extension of the PHE was renewed for 90 days on October 23, 2020, and another renewal will be critical to ensuring that protections for Medicaid beneficiaries, and enhanced federal Medicaid funding as well as flexibilities for state Medicaid programs remain in force as the country continues to respond to, and recover from, the COVID-19 pandemic. These protections are essential and provide much needed certainty to our member health plans and their state government partners.

### **Formal Withdrawal of the Medicaid Fiscal Accountability Regulation**

In November 2019, the Centers for Medicare & Medicaid Services (CMS) released the proposed Medicaid Fiscal Accountability Rule (MFAR). While CMS stated that the intention of MFAR is to increase oversight and improve the fiscal integrity of the Medicaid program, MHPA has significant concerns with this proposed rule and, over the past 11 months, we have consistently [called for it to be completely](#)

withdrawn. MHPA believes the uncertainty surrounding MFAR’s proposed policies and their potential impact on state Medicaid financing and supplemental provider payments would disrupt the entire Medicaid program ecosystem, thereby putting access to care for Medicaid beneficiaries and their families at risk. In September 2020, CMS Administrator Seema Verma announced on social media her intent to withdraw MFAR from the regulatory agenda, but a formal withdraw of MFAR was never posted in the Federal Register. MHPA continues to oppose MFAR and ***urges the new Administration to formally withdraw the MFAR rule and refrain from pursuing any similar regulation, especially given the incredible challenges that continue to face hospitals, long-term care providers, states, and the entire health care system due to the coronavirus pandemic.***

### **State Rate Setting: Actuarial Soundness and Transparency**

As you know, the COVID-19 pandemic is a public health emergency with broad economic consequences across the states. Facing significant state budget shortfalls for the foreseeable future, several states have considered adjustments to Medicaid MCO capitation rate setting, both prospectively and retrospectively, as well as the implementation of risk mitigation strategies, such as risk corridors.

While recognizing the current budgetary realities, MHPA believes that state efforts should support the continued viability of state-Medicaid managed care partnerships that will, in turn, strengthen the long-term sustainability of the Medicaid program. Specifically, MHPA recommends that for states seeking to reduce Medicaid spending through their partner MCOs they must adhere to two essential programmatic principles and safeguards: actuarial soundness and transparency. The recently released Medicaid managed care final rule underscored the importance of actuarial soundness and transparency with policies intended to ensure that rate changes are supported and appropriate according to the regulations and actuarial standards of practice and that the parameters and timing of risk corridors are appropriate and actuarially sound.

As state activity continues in this area, ***we respectfully ask your Administration to continue to support policies related to actuarial soundness and transparency that help ensure that adequate funding is provided to MCOs to manage risk for healthcare services and related administrative expenses while protecting access to care for Medicaid enrollees.***

### **State Flexibility to Address Issues Related to Social Determinants of Health**

The disproportionate negative impact of the COVID-19 pandemic on low-income individuals and communities of color has underscored the importance of addressing issues related to Social Determinants of Health (SDOH) such as employment, housing, food and education. We believe that sustained efforts to address SDOH can be important contributors toward achieving health equity over time.

Several state Medicaid programs are actively addressing SDOH in innovative ways through their managed care contracts and other mechanisms such as demonstration waivers. ***We ask your Administration to support more state flexibility for these valuable interventions that can help address the disproportionate effects based on race and income and result in better health outcomes for Medicaid enrollees.***

## **CMS Guidance to States Regarding Required Contractual Language**

On September 4<sup>th</sup>, CMS released guidance to states requiring the inclusion of language in state contracts with Medicaid MCOs that provides if any Medicaid or CHIP program or activities reflected in the contract are no longer authorized by law, all work must stop on the no-longer-authorized program or activity and the state must submit an amendment to remove costs associated with that program or activity from the rates paid to the managed care plans. While we support that federal matching funds are provided only for state expenditures consistent with federal legal requirements, we have serious concerns with the required contractual language. Specifically, we believe that the required contractual language includes several terms that are vague and lack sufficient clarity. We also have questions about the lack of specificity related to processing and timing issues from these new contractual terms as well as the potential for disruption to care for Medicaid enrollees. *We respectfully request that your Administration revise this guidance to support compliance with federal law through a process that is transparent, with clear terms, and that minimizes the potential for any disruptions to care.*

## **Encouraging State Action**

### **Encourage Remaining States to Adopt the ACA's Medicaid Expansion**

*MHPA is prepared to work directly with the new Administration to encourage additional states to exercise the option to expand Medicaid coverage for all individuals with household incomes up to 138% of the federal poverty line under the Affordable Care Act.* Twelve states have not yet taken advantage of the expansion option and we hope that these states can soon expand, perhaps through financial incentives and/or additional flexibilities using Section 1115 waivers. For these remaining states, much of the population that would benefit from expansion includes traditionally underserved populations, people of color, and working adults. With the ongoing public health emergency, along with a renewed and urgent focus on health equity and racial justice, now is the time to encourage these remaining states to expand their programs, nudging us closer to our shared goal of universal access to health coverage.

The health and economic challenges facing your new Administration are unprecedented and MHPA stands ready to work with you and Congress on a comprehensive and ongoing federal response to the pandemic, as well as on other issues of consequence to the Medicaid program. Once your CMS/CMCS team is in place, we welcome the opportunity to meet with them to discuss these priorities, along with other Medicaid-related issues that are a priority for your Administration. If you have any questions, 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