

February 8, 2021



IMPROVING LIVES by
DELIVERING SOLUTIONS for
QUALITY CARE



America's Health
Insurance Plans



The Honorable Charles Schumer
Majority Leader
U.S. Senate
S-221 Capitol
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-222 Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
S-203 Capitol
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
H-2-4 Capitol
Washington, DC 20515

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

While many challenges lie ahead of us, as a nation there is hope that with the release of effective vaccines, we are turning the corner on the COVID-19 pandemic. Yet, the timeline for a full recovery is uncertain and the discovery of new virus variants reminds us that the pandemic is not over. During this pivotal time, the Medicaid program will continue to be called upon as an integral part of the American health care system's pandemic response. To ensure that Medicaid remains a stable resource we urge you to take legislative action to both increase the amount of federal support provided to states for Medicaid, known as the Federal Medical Assistance Percentage (FMAP), and enact a glidepath for the future reduction in funding.

Throughout the pandemic, the Medicaid program has provided essential health care services to millions of Americans who otherwise could not afford insurance. The program has also supported important safety-net providers across the nation, allowing them to keep their doors open. This support is necessary not just for the care delivered today, but the care that will be delivered in the future after the pandemic has subsided. However, as states begin to contemplate their fiscal budgets, there is significant concern that to balance the ledger savings will need to be identified. Often in those cases, Medicaid and its managed health care plans and providers are looked to, which in normal times devastates providers and during COVID would be catastrophic.

We are extremely appreciative that Congress understood the role Medicaid would play during the pandemic by providing a 6.2 percent increase to FMAP during the Public Health Emergency (PHE). However, as the pandemic wears on, the strain placed on the Medicaid program has been building. For this reason, we urge Congress to increase the FMAP above the current 6.2 percent add-on to ensure adequate funding exists to meet the

needs of states, plans and providers who rely on Medicaid. As a countercyclical program, Americans turn to Medicaid during economic downturns and the number of people covered by Medicaid nationwide has been increasing as the impact of the recession caused by COVID-19 unfolds. Enrollment data from the Centers for Medicare & Medicaid Services (CMS) shows over 6 million new Medicaid and CHIP enrollments between February and September 2020 – an 8.6 percent increase since the PHE began in March 2020.ⁱ

Looking ahead, we do believe that the pandemic will end, and Americans will be able to return to their lives, including jobs that were lost during the pandemic. While we all look forward to that day and hope the nation’s economic recovery will be quick, the reality is that millions of people will continue to rely on Medicaid long past the end of the pandemic as small businesses rebuild, companies begin to hire, and the restaurant and hospitality industries recover. In fact, the Biden Administration has recognized the importance of predictability in funding for the Medicaid program by announcing its plans to extend the PHE declaration at least through 2021 and provide states with a 60-day notice before ending the PHE. However, this commitment is not enough, it is important for Congress to pass legislation extending the pandemic related FMAP for one year post the end of the PHE declaration and then stairstep down the COVID related FMAP increase over the three following quarters. Doing so will ensure that the Medicaid program, its providers, and its enrollees have the needed predictability to operate the Medicaid program and remain financially strong and stable to help America rebuild both from a health and behavioral health perspective as well as financially.

Thank you for your consideration of our request. We are available to serve as a resource to you on this and other issues of importance related to Medicaid.

Sincerely,

American Health Care Association/
National Center for Assisted Living

Association for Community
Affiliated Plans

America’s Health Insurance Plans

Children’s Hospital
Association

Medicaid Health Plans of
America

National Association of
Community Health Centers

National Association of
Medicaid Directors

National Council for
Behavioral Health

ⁱ Medicaid and CHIP Enrollment Trends Snapshot through July 2020, Accessed December 10, 2020: [Medicaid and CHIP Enrollment Trends Snapshot through July 2020](#)