



March 14, 2022

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,

Over the past two years, Medicaid and the Supplemental Nutrition Assistance Program (SNAP) have served as lifelines for millions of Americans. When the federal COVID-19 public health emergency (PHE) ends, however, states will face new hurdles to maintaining equitable access to programs as they conduct coverage redeterminations and transition out of waiver flexibilities. To help mitigate these challenges, the National Association of Medicaid Directors (NAMD) and the American Public Human Services Association (APHSA) respectfully request that Congress provide Medicaid and SNAP programs with extended flexibilities, sufficient planning time, and adequate resources to smoothly transition out of the PHE. Together, these provisions will help prevent disruptions in coverage for individuals and families that rely on Medicaid and SNAP to pursue healthy lives.

Specifically, we request that Congress:

- 1. Extend flexibilities permitting the USDA to adjust SNAP issuance methods and application/reporting requirements for an additional six months after the end of the COVID-19 public health emergency.
- 2. Expand non-merit staffing flexibilities for the SNAP program for up to 12 months after the end of the COVID-19 public health emergency.
- 3. Provide states with at least 120 days to implement any statutory changes to the Medicaid federal match or continuous coverage requirements in the Families First Coronavirus Response Act.
- 4. Provide states with appropriate resources to complete Medicaid redeterminations in the period following the end of the COVID-19 public health emergency by extending the 6.2 percentage point FMAP increase by 12 months, and then gradually phasing down the FMAP over at least three quarters.

## Congress Should Extend SNAP Waiver Flexibilities and Expand Staffing Flexibilities to Streamline Reporting for Members

Most states use an integrated model to simultaneously process SNAP and Medicaid eligibility,<sup>1</sup> which reduces administrative burden on households and states. For households who participate in both SNAP and Medicaid, states typically synchronize eligibility and recertification periods, halving the number of times families must submit paperwork to maintain their benefits. However, the Families First Coronavirus Response Act (FFCRA) included a continuous coverage requirement for Medicaid, meaning that states could not take adverse actions against Medicaid members without losing the associated 6.2 percentage point FMAP increase. Additionally, states relied on separate FFCRA flexibilities to adjust SNAP periodic reporting and recertification dates during the public health emergency as states adjusted to increased workload demands and virtual processing of SNAP applications. These two adaptations in response to the pandemic have led SNAP and Medicaid recertification dates to become misaligned for many households.

When the federal COVID-19 public health emergency (PHE) ends, states will have up to 14 months under current federal guidance to process their backlog of Medicaid cases.<sup>2</sup> However, SNAP administrative waivers – which permit the USDA to adjust SNAP issuance, application, and reporting requirements – are set to expire the month after the end of the PHE. If Congress does not extend SNAP flexibilities (which would allow states to adjust certification dates or periodic reports to match those in Medicaid), states will face major barriers to realign recertifications, increasing the number of times families receive confusing or duplicate information requests from states and creating additional burden on families.

Relatedly, states with integrated eligibility systems are preparing to process the backlog of Medicaid cases they face at the same time they confront major workforce shortages within critical client support and eligibility worker positions. States have continued to experience increased call volumes as families continue to navigate rapidly changing situations, increased economic hardships and program changes throughout the COVID-19 public health emergency. By providing temporary flexibilities in SNAP to use non-merit staffing to support interviews, change reporting, and handling client complaints, agencies will be in a better position to keep up with the significant impending workload and minimize challenges in application timeliness and churn. These challenges are discussed in more detail in APHSA's March 3, 2022, letter to Congress.<sup>3</sup>

## States Need Adequate Planning Time to Implement Changes

In recent months, Congress has considered provisions that would decouple the FFCRA's continuous coverage and FMAP provisions from the COVID-19 PHE declaration. When the continuous coverage requirement ends – either through the expiration of the PHE or new legislation – state agencies will need to make large operational changes. To resume normal eligibility operations and work through the backlog of redeterminations, states will need to hire

<sup>&</sup>lt;sup>1</sup> As of 2017, 41 out of 53 states and territories administering SNAP jointly process Medicaid. https://fnsprod.azureedge.net/sites/default/files/snap/14-State-Options.pdf<sup>2</sup> https://www.medicaid.gov/federal-policy-guidance/downloads/sho22001.pdf

<sup>&</sup>lt;sup>3</sup> https://files.constantcontact.com/391325ca001/c36a78a1-71f4-4acb-b9b9-6c11b270d1c3.pdf

and train new staff, implement refresher trainings for existing staff, enact significant systems updates, and launch outreach campaigns to communicate changes in eligibility policies to Medicaid members, providers, and community partners.

Having enough time to deliver crucial communications can reduce some of the stress and trauma attached to major program changes and allow families more time to adjust and plan for the transition. For many families the upcoming changes will signify a reduction and significant change in the benefits they receive.

Before states can begin disenrollments, eligibility staff also have to perform a variety of activities (like data verification and member notices), which take significant lead time to correctly implement. This time is equally vital for community partners, food bank networks and community health organizations to prepare for the increase in member needs for their services. Many of these organizations will need time to hire and train staff, in addition to implementing system or program changes.

Given these challenges, we request that Congress provide states with, at the very minimum, 120 days to implement any statutory changes to the Medicaid federal match or continuous coverage requirement in the FFCRA (as discussed in NAMD's February 17, 2022 letter to Congress).<sup>4</sup>

## States Need Adequate Resources to Complete Eligibility Determinations

As outlined in guidance from the Centers for Medicare and Medicaid Services (CMS), states will need to complete a full redetermination of eligibility for all members following the end of the PHE; states will be given up to 14 months to complete this work.<sup>5</sup> However, the FFCRA's FMAP enhancements will only be available for one quarter of this period, so states will be forced to carry an increased caseload without a corresponding FMAP enhancement. States may also need to hire additional staff or expand vendor contracts to complete these redeterminations.

These fiscal pressures may result in states needing to conduct determinations in less than 12 months, which could further misalign Medicaid and SNAP renewals and lead to other challenges. To mitigate this, Congress should extend the 6.2 percentage point FMAP increase by 12 months following the end of the PHE, and then gradually phase down the FMAP over at least three quarters (as discussed in NAMD's October 21, 2021 letter to Congress).<sup>6</sup>

## Temporary Flexibilities in SNAP Staffing and Administrative Waivers, Advance Planning Time, and Adequate Resources will Help States Transition to the "New Normal"

At the start of the COVID-19 pandemic, Congress took swift bipartisan action to ensure that Medicaid and SNAP programs could continue providing crucial services to their members. By extending SNAP administrative flexibilities, expanding flexibilities for SNAP to staff their program, and providing states with adequate planning time and resources, Congress can help

<sup>&</sup>lt;sup>4</sup> https://medicaiddirectors.org/wp-content/uploads/2022/02/Congressional-Medicaid-Glide-Path-Ltr\_Major-Medicaid-Organizations\_2\_16\_22.pdf

<sup>&</sup>lt;sup>5</sup> https://www.medicaid.gov/federal-policy-guidance/downloads/sho22001.pdf

<sup>&</sup>lt;sup>6</sup> https://medicaiddirectors.org/wp-content/uploads/2021/10/FINAL-state-associations-to-Congress-COVID-Medicaid-match-post-PHE.pdf

SNAP and Medicaid agencies responsibly transition to the "new normal" following the end of the COVID-19 public health emergency.

We appreciate your consideration of these requests. Please reach out to Matt Lyons, Director of Policy & Research at APHSA, at <u>mlyons@aphsa.org</u> and Jack Rollins, Director of Federal Policy at NAMD, at <u>jack.rollins@medicaiddirectors.org</u> with any questions or follow-up you may have.

Sincerely,

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