

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

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 Speaker Pelosi, Leader McCarthy, Majority Leader McConnell and Leader Schumer,

Congress has taken bold actions to respond to the COVID-19 crisis. Your strong actions have helped businesses and workers, as well as patients and care providers. We applaud and appreciate your leadership in these critical times.

One of the most important steps that you have taken to date was the temporary 6.2 percentage point increase to states' Federal Medical Assistance Percentage (FMAP) included as part of the Families First Coronavirus Response Act. This support is essential to allow states to continue to serve the tens of millions of Americans who rely on Medicaid every day. Our safety-net programs were created to help Americans through challenging economic times – none being more extraordinary than this one.

However, since the bill became law two months ago, the number of Americans that have lost their jobs due to the COVID-19 pandemic has dramatically skyrocketed to more than 41 million people – with millions more expected this month. This staggering surge in job loss is straining state budgets like never before resulting from significant losses in tax revenue, combined with dramatic increases in new unemployment claims and Medicaid enrollment.

States are being pushed to the brink. Based on Congressional Budget Office and Wall Street forecasts, states will likely face shortfalls of approximately \$650 billion in the next three years. As a direct result of the COVID-19 pandemic, state leaders will be forced to enact deep Medicaid cuts that could cause millions of Americans to lose access to critical health care services. The FMAP increase provided in the Families First Coronavirus Response Act was a positive first step, but it is increasingly clear that it will not be sufficient to avoid significant budget cuts during a time when Medicaid is vitally important to COVID-19 response. In fact, a number of states are already proposing cuts even with the Families First FMAP in place:

- **Virginia** is shrinking its eligibility workforce which will make it harder for people to enroll in Medicaid.
- **Ohio** expects more than 140,000 additional Medicaid beneficiaries in April alone, but state leaders are cutting the Medicaid by \$210 million during the last two months of the state's fiscal year – May and June.
- **Georgia** is having state agencies prepare for a 14% budget cut across the board.
- **New Hampshire** is cutting \$12 million from payments to care providers.

- **Oregon** has targeted an 8.5% cut from the two-year budget, including a \$42 million cut to the Oregon State Hospital, a \$69 million cut from behavioral health funding, and a \$64 million cut from Medicaid.

These cuts come at a time when Medicaid is more essential than ever for millions of Americans who find themselves without a job, without any income, and now without health care coverage.

To avoid these consequences and to protect health care access for over 70 million Americans, we call on Congress to enhance federal financing for the Medicaid program by at least 12 percentage points, with additional support for those states hardest hit by the economic shockwaves. This increase should be extended until states' economic recovery is secure and stable, consistent with the requests outlined by the bipartisan National Governors Association.

A strong and effective Medicaid program is critical not only to maintaining health for our most vulnerable populations, but also to ensuring our nation's economic recovery. Unlike other types of relief to states, an increase in the FMAP will automatically adjust based on costs states are facing, providing more funding if a deeper-than-expected recession causes more people to enroll or COVID-19 costs are especially high. Given the reliance both Republican and Democratic-led states have on this critical program, particularly during an economic downturn and public health crisis, this should not be a partisan issue. This is a commonsense response that is timely, targeted, and temporary and will help get America back on its feet again.

We can defeat COVID-19 and overcome this crisis. The private sector and governments at all levels are working together to support our frontline health care heroes, patients, and businesses. Increasing FMAP will support our state leaders, providers, and tens of millions of Americans who depend on Medicaid every day. Thank you for considering this urgent request.

Sincerely,

American Academy of Family Physicians
 American Cancer Society Cancer Action Network
 American Federation of State, County and Municipal Employees (AFSCME)
 American Kidney Fund
 American Medical Association
 America's Essential Hospitals
 America's Health Insurance Plans
 Association for Clinical Oncology
 Association for Community Affiliated Plans
 Association of American Medical Colleges
 Blue Cross Blue Shield Association
 Catholic Health Association of the United States
 Children's Hospital Association
 Families USA
 Federation of American Hospitals
 Healthcare Education Project
 LeadingAge
 Medicaid Health Plans of America
 National Association of Community Health Centers
 Service Employees International Union