



THE UNITED STATES  
CONFERENCE OF MAYORS

July 10, 2020

The Honorable Mitch McConnell  
Majority Leader, United States Senate  
U.S. Capitol Building, Room S-230  
Washington, DC 20510

The Honorable Chuck Schumer  
Minority Leader, United States Senate  
U.S. Capitol Building, Room S-224  
Washington, DC 20510

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

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

We write today to advocate on behalf of states, territories, counties, cities and towns in support of an enhanced federal medical assistance percentage (FMAP) for the Medicaid program in the next bipartisan COVID relief bill.

We appreciate Congress and the Administration moving quickly to provide a 6.2 percentage point FMAP increase in the Families First Coronavirus Response Act (P.L. 116-127) and making these funds available to states from January 1, 2020 through the quarter in which the public health emergency period ends. Given the magnitude of both the public health and economic crises the nation continues to face, state and local governments need more support to provide health care services to individuals and families. We urge Congress to provide an additional FMAP increase of at least 5.8 percentage points, be retroactive to January 1, 2020, and remain until September 30, 2021, regardless of unemployment conditions. After September 30, 2021, the 12 percent FMAP increase should not be reduced until the national unemployment rate falls below 5 percent. In addition, we request additional FMAP increases be determined based on the increase in a state's unemployment rate.

Healthcare is inextricably linked to economic recovery from the COVID-19 pandemic. According to the U.S. Bureau of Labor Statistics, more than [40 million](#) Americans have filed for unemployment benefits in the past 10 weeks. When someone loses their job, they often will also lose employer-based health coverage. Studies of past recessions have found that a growth in the unemployment rate results in a substantial increase in Medicaid enrollment; at the same time, state revenues decline. The Government Accountability Office (GAO) reported that during the Great Recession, the unemployment rate grew from 5 to 9.5 percent, while Medicaid enrollment rose by 9.7 percent — adding nearly 4.3 million enrollees to the program. There is ample precedent for Congress acting during economic downturns to temporarily increase the FMAP, including increasing the FMAP by nearly 12 percentage points a decade ago.

According to the National Association of State Budget Officers (NASBO), in fiscal year 2019 Medicaid was the largest expenditure for states, accounting for nearly 29 percent of total spending from all funds. The COVID-19 pandemic is drastically shrinking state and local revenue with most states experiencing a budget shortfall ranging between 5 and 20 percent. Even states with a lower shortfall will be challenged to provide adequate healthcare services to their residents. This leaves state and local leaders with tough choices to balance their budgets while responding to a pandemic.

For example, Georgia's enacted budget included a 10 percent budget cut across the board. Florida's state Medicaid program grew by nearly 8 percent between February and May and it is estimated this could blow a \$1 billion hole in the state's budget for the 2020-2021 fiscal year, which began July 1. Ohio has seen an increase of 140,000 additional Ohioans enrolled in Medicaid in April alone, which now covers about 1 in 4 residents. In 2012, 46 states cut rates for some health care providers, long after the official end of the Great Recession.

Additionally, we urge that the proposed Medicaid Fiscal Accountability Rule be rescinded. We believe this rule would reduce the ability of states and localities to finance the non-federal share of Medicaid, resulting in a reduction in federal Medicaid funding for the public health and hospital systems and destabilizing them at a time when healthcare and public health services are needed most. As stakeholders in the Medicaid program we are happy to engage with you and the Administration on other ways to increase transparency in Medicaid financing.

Thank you in advance for your consideration. We look forward to working with you to ensure that Americans have access to critical, often life-saving, health care.

Sincerely,

Alabama Hospital Association  
Alliance for Early Success  
America's Health Insurance Plans (AHIP)  
America's Essential Hospitals  
American Academy of Family Physicians  
American Academy of Pediatrics  
American Association of Nurse Practitioners  
American Cancer Society Cancer Action Network  
American College of Obstetricians and Gynecologists  
American Federation of State, County and Municipal Employees  
American Health Care Association (AHCA)  
American Kidney Fund  
American Lung Association  
American Medical Association (AMA)  
American Physical Therapy Association  
American Thoracic Society  
Anthem  
Arizona Hospital and Healthcare Association  
Association for Behavioral Health and Wellness  
Association of American Medical Colleges (AAMC)  
Association of Minnesota Counties  
Asthma and Allergy Foundation of America  
Blue Cross Blue Shield Association  
California Association of Public Hospitals and Health Systems  
California Dental Association

California Hospital Association  
California Medical Association  
California State Association of Counties  
Centene Corporation  
Children's Defense Fund  
Children's Hospital Association  
Children's Hospital of Philadelphia  
Colorado Hospital Association  
Community Affiliated Plans  
Community Health Systems (CHSPSC, LLC)  
Council of Florida Medical School Deans  
County Welfare Directors Association of California  
CVS Health  
Dexcom  
DHR Health  
Epilepsy Foundation  
Esri, Inc.  
Families USA  
Family Voices  
Federation of American Hospitals  
First Focus Campaign for Children  
Florida Medical Association  
Greater New York Hospital Association  
HCA Healthcare  
Healthcare Association of New York State  
Hospital and Healthsystem Association of Pennsylvania  
Idaho Hospital Association  
Illinois Health and Hospital Association  
Illinois State Association of Counties (ISACo)  
International City/County Management Association  
LeadingAge  
LifePoint Health  
Massachusetts Medical Society  
MAXIMUS  
Medicaid Health Plans of America (MHPA)  
Medical Association of Georgia  
Medical Society State of New York  
Michigan Health & Hospital Association  
Molina Healthcare  
National Alliance for Medicaid in Education (NAME)  
National Alliance on Mental Illness  
National Alliance to Advance Adolescent Health  
National Association for Behavioral Healthcare  
National Association of Community Health Centers (NACHC)  
National Association of Counties  
National Association of County Human Services Administrators  
National Association of Pediatric Nurse Practitioners  
National Association of State Budget Officers  
National Conference of State Legislatures  
National Council on Aging  
National Governors Association  
National Health Law Program

National League for Nursing  
National League of Cities  
North Carolina Healthcare Association  
North Carolina Medical Society  
Nurse-Family Partnership  
Physician's Advocacy Institute  
Premier healthcare alliance  
Providence St. Joseph Health  
Rural Hospital Coalition  
Safety Net Hospital Alliance of Florida  
School-Based Health Alliance  
Service Employees International Union (SEIU)  
South Carolina Hospital Association  
Tennessee Hospital Association  
Texas Essential Healthcare Partnerships (TEHP)  
Texas Hospital Association  
Texas Medical Association  
Texas Organization of Rural and Community Hospitals (TORCH)  
The Arc of the United States  
The Catholic Health Association of the United States  
The Council of State Governments  
The Jewish Federations of North America  
The U.S. Conference of Mayors  
United University Professions  
United Way Worldwide  
Universal Health Services, Inc.  
Utah Hospital Association  
Vizient, Inc.  
Washington State Hospital Association  
Wisconsin Hospital Association