

# United States Senate

WASHINGTON, DC 20510-0609

May 1, 2020

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Charles Schumer  
Democratic Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Nancy Pelosi  
Speaker  
House of Representatives  
Washington, D.C. 20515

The Honorable Kevin McCarthy  
Minority Leader  
House of Representatives  
Washington, D.C. 20515

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

We request an increase to Medicaid's federal medical assistance percentage (FMAP) rate to support the State of Colorado's Coronavirus Disease 2019 (COVID-19) response and recovery in the next legislative package. As states grapple with the impact of COVID-19, an increase to the FMAP could provide a potentially expeditious avenue to relief for state budgets.

COVID-19 has created both a public health and economic crisis and more needs to be done to address the unique needs of Medicaid beneficiaries and providers. As unemployment rates rise, Medicaid programs will be called upon to enroll millions of additional people in health care coverage who might otherwise be uninsured. Medicaid currently covers many of those at greatest risk from the virus, including many seniors and individuals with disabilities, and this coverage comes with unique challenges. For example, in our home state of Colorado, congregate care facilities for the elderly including nursing homes are responsible for more than forty percent of Colorado COVID-19 deaths. Colorado's Medicaid program is working to increase rates for those providers to have the capacity for precautionary measures to protect the health of their residents. COVID-19 also causes challenges to the safe provision of home and community-based services, which are critical for many Medicaid beneficiaries.

States are grappling with both the increase in demand for Medicaid coverage due to COVID-19 and a budgetary crisis from their COVID-19 response and lost revenue. Based on some current economic forecasts, states will likely face budget shortfalls that exceed \$500 billion over the next several years, not including direct COVID-19 costs. To address those threats to critical services and protect jobs, we continue to support robust funding to ensure further flexible fiscal relief for states and local governments in the next legislative response.

While federal assistance provided to date is a useful first step, the state of Colorado has indicated it is not sufficient to cover the funding shortfall caused by COVID-19 that could lead to harmful budget cuts for state programs, like Medicaid. The Congressional Budget Office and other forecasters now project high unemployment rates lasting at least through 2021, and we must ensure that there is increased and continuous support in place to ensure that states have the

capability to care for Medicaid beneficiaries and adequately reimburse providers as this protracted crisis continues.

We strongly support funding mechanisms for states that assist with a glide path back to prosperity until the economy returns to pre-crisis conditions. The bipartisan National Governors Association (NGA) has called for a nationwide 12 percent FMAP increase, plus an additional increase with modifications for high-unemployment states; NGA has also requested that federal relief remain continuous until national unemployment rates show strong signs of recovery. We request inclusion of similar policies to support Medicaid beneficiaries and providers and any other policies to support our most vulnerable.

We request that you consider policies, like the FMAP increase, that would support state budgets as they grapple with the impact and costs of COVID-19.

Thank you for considering our views.

Sincerely,



Michael F. Bennet  
United States Senator



Cory Gardner  
United States Senator

CC: Secretary of the Treasury Steven Mnuchin