

Increasing The FMAP Is Critical For The U.S. Pandemic Response

Any Meaningful Coronavirus Package Must Further Increase Federal Funds To Support State Medicaid Programs

At a time when millions of uninsured people are facing the possibility of coronavirus and devastating health care bills, the American people need the security of health insurance to ensure they get all of the necessary care they need. Medicaid coverage will undoubtedly be a lifeline for American families during this crisis. The Kaiser Family Foundation (KFF) estimated that [27 million people](#) could lose employer-sponsored coverage as a result of the pandemic, and a May KFF poll found that [nearly one in four \(23%\) Americans](#) anticipated a family member would turn to Medicaid in the coming year.

In order to address a surge in Medicaid enrollment, the Families First Coronavirus Response Act [included](#) a 6.2 percentage point increase in the Medicaid Federal Medical Assistance Percentages (FMAP); however, [research](#) has shown that this modest increase is not enough to address state budget shortfalls. According to the Center on Budget and Policy Priorities, state budget shortfalls will total about [\\$615 billion](#) over the next three years. Without increasing the Medicaid FMAP further, states could be forced to limit enrollment or cut benefits as the nation is still reeling from the pandemic. Already, Virginia and Washington have [halted](#) plans to extend Medicaid coverage for low-income mothers as a result of coronavirus-induced budget strains.

In May, the House of Representatives passed the [HEROES Act](#), a sweeping relief package with key measures to expand access to health care during this unprecedented crisis. This includes further increasing the enhanced Medicaid FMAP to [14 percent](#). Not only is this designed to help with Medicaid costs, but it would provide states with broad fiscal relief as they continue to face the economic fallout from the pandemic.

Governors, Insurers, And Patient Groups Have Called For A Higher Medicaid FMAP Increase

The National Governors Association, America's Health Insurance Plans (AHIP), American Academy of Family Physicians, And More Than 100 Additional National, State, And Local Organizations Urged Congress To Increase The Medicaid FMAP To At Least 12 Percent. "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." [National Governors Association, [7/10/20](#)]

American Cancer Society Cancer Action Network, American Lung Association, And More Than Two Dozen Additional Patient Groups Called For Congress To Raise The FMAP Increase To 14 Percentage Points. "First and foremost, additional federal funds to support state Medicaid programs are needed immediately. State Medicaid programs provide a vital safety net during this national crisis, covering traditionally underserved populations and helping to treat those infected with the virus. Estimates suggest that nearly 13 million individuals who have lost employer sponsored coverage are eligible for Medicaid, and that number will rise to 17 million by January 2021.² Recognizing the significant impact this increase will have on state budgets, it is critical that increased federal support be made available. Our organizations strongly supported the 6.2 percentage point increase in the federal medical assistance percentage (FMAP) for states in the Families First Coronavirus Response Act and urge Congress to raise the FMAP increase from 6.2 to at least 14 percentage points." [National Organization For Rare Disorders, [5/26/20](#)]

The National Association Of Medicaid Directors Called For A Medicaid FMAP Increase Of 12 Percent: “States Have Never Experienced As Sudden Shock In Unemployment In Such A Short Timeframe As They Are Experiencing Today.” States have never experienced as sudden shock in unemployment in such a short timeframe as they are experiencing today. Further, these newly enrolled will not necessarily cycle off Medicaid and back on to employer-sponsored insurance or coverage through the marketplaces in the near term, particularly if the nation faces a prolonged economic downturn. The FMAP increase provided in FFCRA, based on state data and projections, will not be sufficient to support this increase in enrollment. An additional FMAP enhancement is necessary to provide states with the fiscal support necessary to meet these increased demands on the Medicaid program. We recommend an additional FMAP enhancement of 5.8 percentage points, additive to the 6.2 percentage point FFCRA enhancement, for a total of total enhancement of 12 percentage points. [National Association Of Medicaid Directors, [4/13/20](#)]