

The Honorable Michael Bennet
The Honorable Cory Gardner
The U.S. Senate
Washington, D.C. 20510
Via email

July 10, 2020

Dear Senators Bennet and Gardner:

First, thank you for your May 1, 2020 letter calling on House and Senate Leadership to take further action to increase the FMAP in consideration of the important role that Medicaid plays in the health and financial wellbeing of Colorado residents and the state budget. As you noted, Medicaid is both responsive and flexible in times of economic downturn.

As the COVID-19 pandemic and the ensuing economic crisis enter a fifth month, the undersigned organizations call on you now to **actively fight for a 14% increase in FMAP** in the next relief package to ensure Coloradans' access to health care and to help mitigate the impact of the financial downturn for individuals in Colorado.

The COVID-19 pandemic has spurred a health and economic crisis that affects everyone, but not equally. Without the opportunity to sustain our state Medicaid program and mitigate the cuts that have already been made to critical services, the most harm will be done to our front line workers, low-income communities, older adults, rural communities, and communities of color that are already disproportionately impacted by COVID-19.

Colorado's Medicaid program is expected to see an enrollment increase of approximately 527,000 Coloradans by the end of 2020, a 42% increase to the 1.3 million members covered in Medicaid and CHP+ as of March 2020. This increase is bigger than any single previous expansion, including when Colorado expanded Medicaid under the ACA or increases during any other economic crisis,¹ including the Great Recession in 2008/2009. Colorado faces a significant disadvantage in sustaining a surge in Medicaid enrollment because the federal government pays a smaller portion of our Medicaid costs than many other states.² The Colorado Joint Budget Committee has already taken steps to mitigate the impact by cutting community provider reimbursement rates by 1% across the board, as well as deeper cuts targeted at specific provider types. Medicaid member copays have also been increased, and dental benefits and behavioral health benefits have been cut. These cuts will have a negative effect on access to coverage and care and hinder our response to this public health and economic crisis.

Our community members who have lost jobs, particularly in the hospitality, restaurant, agricultural, and tourism sectors, are not likely to see a quick rebound, yet, their health care

¹ [Colorado Sun](#)

² For fiscal year 2019, regular FMAP rates range nationally from 50% – 76.39%, with Colorado at 50% and states like MS, WV, AL, KY, and NM at greater than 70%.

needs will not stop just because their jobs have stopped. Recent state budget cuts hit rural Coloradans especially hard, half of which rely on health coverage through Health First Colorado (26 percent), Medicare (15.7 percent), or are uninsured (11.4 percent). Rural Coloradans already live in health professional shortage and medically underserved areas and struggle to access care.³ We cannot afford more cuts to our Medicaid program at the same time that more people than ever before are in need of health care.

If Colorado cannot secure additional federal support, our Medicaid program will be forced to make additional cuts to coverage and services for thousands of Coloradans. Colorado's Medicaid program is best positioned to help us respond to COVID-19. Additional federal support for Medicaid is critical and serves multiple purposes:

- Sustaining health and economic security for children, people with disabilities, low-income families and seniors;
- Freeing up declining state revenue to maintain other vital services and jobs which will help our economy recover faster;⁴ and
- Keeping funding flowing into health care providers, including hospitals, physicians, and pharmacies, particularly in rural areas.

Although Congress has taken steps to shore up the program in the Families First Coronavirus Response Act (FFCRA), *it is not enough*. Congress still needs to:

1. **Increase the Medicaid match.** FMAP increases during the Great Recession prevented or mitigated cuts to state Medicaid programs⁵, but the increase allocated by Congress so far is inadequate. While the 6.2% FMAP increase enacted by the FFCRA is a good first step, it is *much* smaller than the one granted during the Great Recession⁶, even though the current recession is expected to be much worse. FMAP increases are especially important to protect provider payments: in 2009, 38 states said the additional federal funding through FMAP increase helped them avoid or limit cuts to provider payments⁷. Congress needs to increase the FMAP—as both Colorado Senators have called on leadership to do⁸—by **at least 14 percentage points** and part of it should be applied to the “Medicaid expansion” population.
2. **Sustain the match during the economic downturn.** The enhanced FMAP, as well as the Maintenance of Effort (MOE) requirement (including eligibility, benefits, and continuous coverage) should last for the duration of the economic contraction and phase down gradually or last **at least** until June 30, 2021. Currently, the enhanced FMAP and MOE will end whenever HHS declares the public health emergency over, causing

³ https://cclponline.org/pub_library/budget-cuts-and-health-access/

⁴ Community Health Centers across the state have a positive economic impact on their communities, creating 10,542 jobs, generating \$1.4 billion in economic activity and \$51 million in state and local taxes. Ibid

⁵ [Kaiser Family Foundation](#)

⁶ [Center on Budget Policy Priorities](#)

⁷ <https://www.kff.org/wp-content/uploads/2013/01/8105.pdf>

⁸ [Sen. Bennet and Sen. Gardner call on leadership to increase FMAP in next legislative COVID relief package](#)

uncertainty for patients and an inability for states to plan. Both the FMAP and MOE are critical in preventing cuts to coverage. Medicaid agencies must have meaningful advance warning of the end of the increased FMAP and MOE provisions.

- 3. Repeal the Medicaid Fiscal Accountability proposed rule (MFAR).** Currently, this proposed rule is suspended, but when enacted the rule will take billions of funding away from states at a time when our public health system needs resources most. The MFAR rule would further burden Colorado's Medicaid program by limiting provider fees and intergovernmental transfers, meaning that there would be even fewer resources available to draw down federal matching funds and could further exacerbate the state fiscal crisis.

Thank you for your attention and consideration. We would very much like to speak with you during the July recess, as time permits. If you have availability, and would like to speak to us about the content of this letter, please contact Adela Flores-Brennan, Executive Director, Colorado Consumer Health Initiative, 303-618-3604.

Sincerely,

Colorado Consumer Health Initiative
American Academy of Pediatrics, Colorado Chapter
American Diabetes Association
American Friends Service Committee, Colorado
Arthritis Foundation
Bell Policy Center
The Center For African American Health
Center for Health Progress
Children's Hospital Colorado
Chronic Care Collaborative
Clinica Colorado
Colorado Academy of Family Physicians
Colorado Access
Colorado Association for School-Based Health Care
Colorado Association of Local Public Health Officials
Colorado Behavioral Healthcare Council
Colorado Center on Law and Policy
Colorado Children's Campaign
Colorado Children's Healthcare Access Program
Colorado Coalition for the Homeless
Colorado Community Health Network
Colorado Cross-Disability Coalition
Colorado Fiscal Institute
Colorado Gerontological Society
Colorado Hospital Association

Colorado Immigrant Rights Coalition
Colorado Medical Society
Colorado Mental Wellness Network
Colorado Organization for Latina Opportunity and Reproductive Rights
Colorado Ovarian Cancer Alliance
Colorado Safety Net Collaborative
Colorado Senior Lobby
CORHIO
Delta Dental of Colorado Foundation
Denver Health and Hospital Authority
Disability Law Colorado
Easterseals Colorado
Ebert Family Clinic
Grand County Rural Health Network
Healthier Colorado
Hunger Free Colorado
Mental Health Colorado
Metro Caring
Northeast Health Partners
One Colorado
Parent Possible
Parkinson Association of the Rockies
Rocky Mountain Multiple Sclerosis Center
Scleroderma Foundation Rocky Mountain Chapter
Southwest Center for Independence
The Arc Arapahoe & Douglas
The Arc of Aurora
The Arc of Larimer County
Together Colorado
Vivent Health
Women's Lobby of Colorado
Young Invincibles