



Leadership Council
of Aging Organizations

Debra B. Whitman, Chair

May 20, 2020

The Honorable Mitch McConnell, Majority Leader
The Honorable Chuck Schumer, Minority Leader
United States Senate
Washington, DC 20510

Dear Majority Leader McConnell and Minority Leader Schumer:

We, the undersigned members of the Leadership Council of Aging Organizations (LCAO), applaud your attention to both the public health and economic challenges caused by COVID-19. In the Families First COVID-19 emergency supplemental bill (C2), Congress acted swiftly to provide a much-needed 6.2 percentage increase in the Federal Medical Assistance Percentage (FMAP). As the pandemic increases the duration and depth of health and economic challenges, **we urge Congress to expand the FMAP to 14 percent (an additional 7.8 percent), as provided in the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act of 2020 (H.R. 6800), as part of the next emergency supplemental package to respond to COVID-19.** This FMAP increase must extend to people eligible for Medicaid under expansion. We echo the call from both the bipartisan National Governors Association (NGA)¹ and the National Association of Medicaid Directors² for Congress to expand the FMAP and to tie both the amount and duration to unemployment and economic recovery.

Consistent with the previous (C2) increase, this FMAP increase should be used solely for Medicaid to support beneficiaries and must require all states and territories to comply with a strong maintenance of effort (MOE) requirement to ensure that Medicaid enrollees continue to have coverage that allows them to receive needed services.³

¹ Hogan, L., & Cuomo, A. (2020, April). *Governors' letter regarding COVID-19 aid request*. Retrieved from National Governors Association Web site: <https://www.nga.org/policy-communications/letters-nga/governors-letter-regarding-covid-19-aid-request/>

² Kidder, B., & Snyder, J. (2020, April). *NAMD requests Congress provide additional COVID-19 resources to states and providers* [Letter]. Retrieved from National Association of Medicaid Directors Web site: <https://medicaidirectors.org/publications/namd-requests-congress-provide-additional-covid-19-resources-to-states-and-providers/>

³ Aron-Dine, A. (2020, March 30). *Congress should reject attempts to weaken Medicaid protections enacted in bipartisan COVID-19 response bill* [Web log post]. Retrieved from Center on Budget and Policy Priorities blog Web site: <https://www.cbpp.org/blog/congress-should-reject-attempts-to-weaken-medicaid-protections-enacted-in-bipartisan-covid-19>



Moreover, we urge you to increase FMAP by at least another 10 percent (for a total of 24 percent) to support and expand Medicaid Home- and Community- Based Services (HCBS). This increase must also be subject to a strong MOE requirement. Medicaid provides needed health care services for more than 13 million Americans age 50 and older⁴ and pays for almost two-thirds of the long-term care needs of older adults and people with disabilities.⁵ The program is the primary payer for HCBS—which most older adults prefer to nursing home care—and is even more critical now to help older adults stay healthy and safe.

Medicaid is unique in that it responds automatically to health and economic crises, expanding as needed to meet health care needs. Moreover, the program is countercyclical. During a recession, both the number of people enrolled in Medicaid and program spending grow, and the reverse occurs in better economic times. Yet Medicaid has long been under funded. Even before COVID-19 became a crisis in the United States, nearly 820,000 people were on HCBS waiting lists, and the average wait time was 39 months.⁶ As the crisis has escalated, family caregivers and home care workers are facing extraordinary challenges and risks to safeguard older adults and themselves from COVID-19. Similarly, Medicaid-funded nursing homes need additional resources to mitigate COVID-19 through additional testing, infection control, and personal protective equipment for workers, among other measures.

Shuttering businesses, skyrocketing unemployment, and unprecedented decline in state revenues are creating historic state budget shortfalls. As a result, states and territories are struggling to meet the growing demand for Medicaid and other vital public services. Some states have already implemented deep cuts to their Medicaid programs, and other states anticipate similar reductions.⁷ Without significant new temporary federal support, these massive budget shortfalls will result in ever more cuts to health care and other public programs for millions of older adults and people with disabilities; at the same time, more Americans who have lost their jobs and insurance will need and be eligible for Medicaid. State budgets are strained as reserve funds are depleted, and most states and territories are prohibited from running deficits. Moody's Investors, a top nonpartisan credit-rating service, recently reported that most states cannot cover projected tax revenue losses with available cash and that, in order to avoid budget cuts, additional direct

⁴ Henry J. Kaiser Family Foundation. (2017, May). *Enrollment of Medicaid beneficiaries ages 50 plus, FY 2013* [Fact sheet]. Retrieved from <http://files.kff.org/attachment/Fact-Sheet-Enrollment-of-Medicaid-Beneficiaries-Ages-50-Plus>

⁵ O'Malley Watts, M., Musumeci, M.B., & Chidambaram, P. (2020, February). *Medicaid home and community-based services enrollment and spending* [Issue brief]. Retrieved from <http://files.kff.org/attachment/Issue-Brief-Medicaid-Home-and-Community-Based-Services-Enrollment-and-Spending>

⁶ Musumeci, M.B., O'Malley Watts, M., & Chidambaram, P. (2020, February). *Key state policy choices about Medicaid home and community-based services* [Issue brief]. Retrieved from <https://www.kff.org/medicaid/issue-brief/key-state-policy-choices-about-medicaid-home-and-community-based-services/>

⁷ Roubein, R., & Goldberg, D. (2020, May 5). States cut Medicaid as millions of jobless workers look to safety net. *Politico*. Retrieved from <https://www.politico.com/news/2020/05/05/states-cut-medicaid-programs-239208>



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assistance will be necessary.⁸ Similarly, the NGA has requested an extra \$500 billion in state funding.⁹ The federal government can—and must—step in.

An increase in the FMAP has been deployed in past recessions and is one of the most effective ways for Congress to help stabilize the economy. Such increases preserve health care during a public health emergency, aid local governments, and maintain other critical services that are threatened by state fiscal crisis. Therefore, we urge your quick action to pass another emergency supplemental bill that **expands the current level of federal support for state and territorial Medicaid programs, including the Medicaid expansion, based on unemployment and other economic indicators, and continues this federal support until the economy recovers. We also support targeted funding to states, territories, tribes, and localities, as found in the HEROES Act, to address the unparalleled drop in revenues and the need to maintain and expand public services.**

Thank you for considering LCAO's recommendations as you continue to address our nation's unprecedented economic and health crisis.

Sincerely,

AARP
AFSCME
Aging Life Care Association
Alliance for Retired Americans
Altarum Institute Program to Improve Elder Care
Alzheimer's Association & Alzheimer's Impact Movement
AMDA Society for Post-Acute & Long-Term Care Medicine
American Federation of Teachers
American Geriatrics Society
American Postal Workers Union Retirees Department
American Society on Aging
Association for Gerontology and Human Development in HBCUs
Association of Jewish Aging Services
Center for Medicare Advocacy
Community Catalyst
The Gerontological Society of America
The Jewish Federations of North America
Justice in Aging
LeadingAge

⁸ Eckert, T. (2020, April 28). Moody's: States need more federal aid to avoid counterproductive cuts. *Politico*. Retrieved from <https://subscriber.politicopro.com/financial-services/whiteboard/2020/04/moodys-states-need-more-federal-aid-to-avoid-counterproductive-cuts-3979890>

⁹ Hogan, L., & Cuomo, A. (2020, April). *Governors' letter regarding COVID-19 aid request*. Retrieved from National Governors Association Web site: <https://www.nga.org/policy-communications/letters-nga/governors-letter-regarding-covid-19-aid-request/>



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Meals on Wheels America
Medicare Rights Center
National Academy of Elder Law Attorneys
National Adult Day Services Association (NADSA)
National Association for Home Care and Hospice
National Association Nutrition and Aging Services Programs (NANASP)
National Association of Area Agencies on Aging (n4a)
National Association of Social Workers (NASW)
National Association of State Long-Term Care Ombudsman (NASOP)
The National Consumer Voice for Quality Long-Term Care
National Council on Aging
PHI-Quality Care Through Quality Jobs
Service Employees International Union
Social Security Works
Women's Institute for A Secure Retirement

CC: Members of Congress