February 4, 2021

The Honorable Ron Wyden
Chairman
Committee on Finance
U.S. Senate
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Mike Crapo
Ranking Member
Committee on Finance
U.S. Senate
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Frank Pallone Jr.
Chairman
Energy and Commerce Committee
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Cathy McMorris Rodgers
Ranking Member
Energy and Commerce Committee
U.S. House of Representatives
2322 Rayburn House Office Building
Washington, DC 20515

Re: Priority areas for action and forthcoming recommendations

As the 117th Congress begins its work, the Medicaid and CHIP Payment and Access Commission (MACPAC), a nonpartisan legislative branch agency charged with making recommendations and providing policy advice to Congress, the Secretary of Health and Human Services, and the states on policy affecting Medicaid and the State Children's Health Insurance Program (CHIP), wanted to share our insights about priority areas for action as well as forthcoming Commission recommendations.

Actions Related to the COVID-19 Pandemic

We appreciate the quick response of the 116th Congress to the COVID-19 pandemic, particularly in the Families First Coronavirus Response Act (FFCRA, P.L. 116-127) and subsequently in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act, P.L. 116-136). The 6.2 percentage point increase in the federal medical assistance percentage (FMAP) and required coverage of COVID testing and vaccines with no cost sharing under the FFCRA were important steps that continue to benefit states and the Medicaid beneficiaries they serve. In addition, the eligibility-related protections helped to ensure access to care for beneficiaries.

While the public health emergency (PHE) may now extend through the end of 2021, MACPAC has two major concerns about what will happen when the PHE eventually ends. First, while the enhanced FMAP extends to the end of the quarter in which the PHE concludes, past experience suggests that states will continue to struggle with increased Medicaid enrollment and reduced state revenues even as the national economic outlook improves. Moreover, recent guidance from the Centers for Medicare & Medicaid Services acknowledges that it will take many months once the PHE ends for states to resume regular eligibility determination and renewal processes.

While President Biden has announced support for increasing the FMAP to 100 percent for vaccine administration, additional increases for other services may be warranted. As Congress considers needs for state and local government relief in the weeks ahead, we urge you to look carefully at the adequacy of the enhanced match under the FFCRA and consider whether additional increases to Medicaid financing (beyond the 6.2 percentage point increase) could be an effective tool for fiscal stimulus and economic stabilization.

Second, we are concerned that the requirement for states to cover vaccines for all Medicaid beneficiaries stays in effect long enough to ensure as many beneficiaries as possible receive the vaccine. Under current law, states are only required to cover vaccines for children (under the early and periodic screening, diagnostic, and treatment (EPSDT) benefit) and the new adult group. Vaccine coverage for others, including those over 65, pregnant women, parents and caretakers, and those eligible on the basis of disability, is optional. While we recognize that some of these individuals are being prioritized in the initial stages of vaccine distribution, we remain concerned about states' ability to reach all Medicaid beneficiaries before the COVID-19 vaccine coverage requirement expires at the end of the quarter in which the PHE ends.

In addition, while we were pleased that the federal moratorium on evictions has been extended through the end of March, this issue will require continued attention to determine whether additional extensions are warranted. While there are no data on the number of Medicaid beneficiaries affected by this measure, we do know that housing instability has detrimental effects on health. Among adults, evictions have been associated with adverse health outcomes, including illicit drug use, depression, suicide, and exposure to violence. For children, evictions can have both near- and long-term consequences for health and well-being (Pollack et al. 2020). Households experiencing eviction may also face increased risk of COVID-19 transmission if they are forced into homelessness or more crowded shared living arrangements. Moreover, unplanned or frequent moves may make it more difficult for Medicaid health plans to follow up with children who missed important preventive care visits during the PHE or for providers to contact individuals with reminders to return for a second vaccine dose. In addition, beneficiaries experiencing housing instability may not reliably receive state notices regarding the need to renew Medicaid coverage or have ready access to needed documentation to complete the process, which could result in their losing coverage unnecessarily. President Biden has recommended an extension of the moratorium through the end of September, a proposal that merits your serious consideration.

We also remain concerned about the targeting and adequacy of relief authorized under the CARES Act to providers serving a disproportionate share of Medicaid and other low-income patients. As we noted in letters sent to the leaders of federal health agencies last spring, the initial distribution of funds from the Public Health and Social Services Emergency Fund was skewed heavily towards providers serving the Medicare population and did not target funding to providers that serve a high share of Medicaid and uninsured patients (MACPAC 2020a, 2020b). Although additional funds have since been made available to Medicaid providers that do not participate in Medicare, our review of funds distributed to date suggests that uptake among Medicaid providers including for example pediatric practices, home- and community-based services providers, and behavioral health provider organizations, has remained low. While data on the causes of low provider applications for the relief funds is not available, it is our understanding that confusion about and the perceived burden of the application process may be factors. Although the Consolidated Appropriations Act (P.L. 116-260) directs the U.S. Department of Health and Human Services (HHS) to distribute most unspent provider relief funding, we urge Congress to obtain a full accounting of the distribution of provider relief funds to better target remaining funds and inform whether additional relief may be needed and for whom.

Other Policies

We also wish to alert you to recommendations that the Commission will be making in its March 2021 report to Congress, and to remind you of several recommendations from prior reports that merit renewed congressional attention.

Last summer, MACPAC announced its intention to focus on the role of Medicaid in addressing systemic racism and racial and ethnic disparities in health. Such disparities are especially apparent in unacceptably high rates of maternal mortality and morbidity among people of color generally and among those covered by Medicaid specifically. The Commission will recommend that Congress make a statutory change to require states to expand postpartum coverage under Medicaid from 60 days to a full year with 100 percent federal match to recognize the additional costs that states will bear. We plan to continue examining many other aspects of Medicaid policy through the health equity lens, including those related to access to services, integration of care for dually eligible beneficiaries, quality measurement, and data availability.

MACPAC will also recommend that Congress enact an automatic countercyclical Medicaid financing adjustment to ensure that additional federal funds flow to Medicaid during economic downturns. The current experience of states as they grapple simultaneously with growing program enrollment and declining revenue due to the COVID-19 pandemic provides real-time evidence of the need for such a financing adjustment.

The Commission is also engaged in significant work related to improving integration of care for dually eligible beneficiaries, a population that has been especially hard hit by COVID-19, particularly those receiving long-term services and supports in nursing facilities and home and community-based settings. Last June, we recommended that Congress provide additional resources to states to help support the development and implementation of integrated care models to more beneficiaries and in more geographic areas. Such modest investments are critical to ensuring that the needs of this complex population are met across a range of services, including acute care, long-term services and supports, behavioral health, and social services. We plan on making additional recommendations to improve integration in our June report to Congress and will be sharing that work with your staffs as it progresses.

We appreciate the confidence that you and your colleagues have shown in our work by adopting many of MACPAC's recommendations into law, most recently in various provisions of the Consolidated Appropriations Act of 2020. We stand ready to provide additional assistance, analysis, and insights in the months ahead.

Sincerely,

Melanie Bella

Melanie Bella, MBA
Chair

References

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