

July 14, 2020

Delivered via Email

Dear Members of the Texas Congressional Delegation:

As organizations dedicated to improving access to health care for all Texans, we are grateful for the tireless efforts of the Texas delegation during the pandemic and we are especially grateful for the temporary 6.2 percentage point increase to states' Federal Medical Assistance Percentage (FMAP) included as part of the Families First Coronavirus Response Act (FFCRA). This support is essential for our state to continue to serve the over four million vulnerable Texans who rely on Medicaid every day,¹ and to fund critical state services during the pandemic. However, these funds are not enough to get us through the remainder of the pandemic in the face of declining state revenue due to the recession. **We urge Congress to swiftly pass another COVID-19 relief package that further increases the federal Medicaid matching rate (FMAP) and maximizes the benefits that Texas receives from such an increase.**

Enhanced federal health care funding is critical to protect the health and financial well-being of Texans. As you know, families, businesses, and state and local officials are scrambling every day to deal with this unprecedented public health and economic crisis. As of May 1st, an estimated 1.6 million Texans will lose job-based insurance, making it more critical than ever to bolster the state's Medicaid system as more people qualify for coverage. As our state and local governments contend with a steep reduction in tax revenue as well as increased costs related to COVID-19, federal health care funding is also essential to shoring up our state budget so that Texans can continue to receive the public services that they need as well as to prevent layoffs among state employees.

Increase federal Medicaid funding. As COVID-19 cases rise and the economic crisis deepens, it is becoming increasingly clear that further relief is needed to support state budgets. While a step in the right direction, the enhanced federal Medicaid matching rate (FMAP) outlined in the FFCRA falls well short of the total need. Congress must provide further FMAP increases now as part of the next COVID-19 response bill. Medicaid is the largest source of federal funding in every state budget, and is the largest source of federal income taxes coming back to Texas.² The bipartisan National Governors Association recommends a total increase of 12 percentage points (including the Families First Coronavirus Response Act FMAP increase) and the House-passed HEROES Act includes a total increase of 14 percentage points.³ With COVID-19 cases on a dramatic rise in more than half the country, including here in Texas, increased federal Medicaid funding is needed now more than ever. We cannot wait to act until our state budget is even further in the hole and more people are unemployed,⁴ uninsured, and needing care. Families already struggling to keep food on the table and housing secure should not have to choose between food and health care during this pandemic.

Tie the increased federal Medicaid funding to economic recovery. The FMAP increase provided in the March 2020 FFCRA was a positive first step, but it is increasingly clear that it will not be sufficient to avoid significant Texas budget cuts, and it lasts only through the duration of the public health emergency. But long after this declaration is lifted, Texas will still be struggling to recover economically. Congress must not only further increase the Medicaid FMAP, but also sustain this enhanced support until states can get back to a place of economic stability, consistent with the requests outlined by the bipartisan National Governors Association. This will ensure that if Texas is among the states hit hardest by the

ongoing economic shockwave we will receive the help we need to minimize economic damage and support the strongest possible recovery.

Continue FMAP boost requirements that keep Medicaid coverage for Texas residents throughout the crisis. Congress must uphold critical requirements tied to the FMAP increase—like not disenrolling anyone from Medicaid or cutting eligibility or benefits—for states to receive this enhanced funding. Even before COVID-19, Texas had both the nation’s largest uninsured population (5 million Texans) and the highest uninsured rate for adults (25%) and children (11%).⁵ With the staggering job losses this year, many more families are losing job-based insurance and finding themselves and their children uninsured. Texans need systems that are streamlined and focused on enrollment, and families need to know their coverage is guaranteed throughout this health and economic crisis.

Adjust the Children’s Health Insurance Program (CHIP) per-state allotment. FMAP increases will also increase the CHIP matching rate in Texas. But to ensure that Texas can fully benefit and can continue to provide coverage for children, as part of further FMAP increases, Congress must also adjust the annual CHIP allotment that each state receives to account for that rate increase.

Block the pending Medicaid Financial Accountability Rule (MFAR) to avoid further burdening Texas’ budget and families. Congress must block the pending MFAR, as recommended by the National Governors Association. If finalized, MFAR could lead to large cuts in existing financing sources that support Texas Medicaid, increase Texas’ budget deficits, make it harder to close those deficits, and undercut or even eliminate the benefits of any FMAP increase and other fiscal relief provided to states by Congress. It would also lead to further payment rate cuts for Texas Medicaid providers who are already financially stressed, and are at risk of severe reimbursement reductions in the next state legislative session. This is simply too much for any state to handle during this public health and economic emergency.

All of the undersigned organizations appreciate the hard work of the Texas Congressional delegation. The health and well-being of Texans is our top priority, and a strong and effective Medicaid program is critical not only to maintaining health for our most vulnerable populations, but also to ensuring Texas’ economic recovery. We look forward to continuing to work with you. For more information, please contact Stephanie Rubin, CEO of Texans Care for Children at srubin@txchildren.org.

Sincerely,

American College of Obstetricians and Gynecologists - District XI (Texas)
Any Baby Can
Ascension DePaul Services
Autism Society of Texas
CHILDREN AT RISK
Children's Defense Fund - Texas
Children's Hospital Association of Texas
Coalition of Texans with Disabilities
Community Health Choice
Emergent ED Child Care Consulting Inc.

Every Texan (formerly Center for Public Policy Priorities)
Family to Family Network
First3Years
Lena Pope
Mental Health America of Greater Houston
Methodist Healthcare Ministries of South Texas, Inc.
National Alliance on Mental Illness (NAMI) Texas
National Association of Social Workers - Texas Chapter
Parents as Teachers National Center
San Antonio College Early Childhood Program
St. Paul Children's Services
Texans Care for Children
Texas Academy of Family Physicians
Texas Alliance for Retired Americans
Texas Association of Community Health Centers
Texas Association of Obstetricians and Gynecologists
Texas Dental Association
Texas Hospital Association
Texas Medical Association
Texas Parent to Parent
Texas Pediatric Society
TexProtects
United Way for Greater Austin
United Way of Greater Houston
United Way of Metropolitan Dallas
United Ways of Texas
Young Invincibles

1. Kaiser Family Foundation, Eligibility for ACA Health Coverage Following Job Loss, May 13, 2020;

<https://www.kff.org/coronavirus-covid-19/issue-brief/eligibility-for-aca-health-coverage-following-job-loss/>

2. In 2019, \$42 billion all funds, \$25 billion federal, \$30 billion direct care and nearly \$11 billion in supplemental pay, \$2 billion school reimbursements.

3. HEROES Act maintains the FFCRA's 6.2 point increase at least through June 30, 2021, and then raises states' FMAPs by another 7.8 percentage points beginning July 1, for a total increase of 14 percentage points from July 1, 2020 through June 30, 2021.

4. Texas' unemployment rate for April was 12.8%, the worst on record, and up from 3.5% in January and February. Since mid-March, more than 2.2 million Texans have filed unemployment claims, and this number is still growing.

5. U.S. Census Bureau statistics for 2018.