

Addressing the Fiscal Crisis in Communities Affected by COVID-19

Hemi Tewarson
Director, Health Division,
National Governors Association

Ellen Nissenbaum
Senior Vice President for Government Affairs,
Center on Budget and Policy Priorities

Stan Dorn
Director of the National Center for Coverage
Innovation and Senior Fellow,
Families USA

Carolina Valle
Senior Policy Manager,
California Pan-Ethnic Health Network



Agenda

- **Welcome:** Lauren Rosenbaum, Director of Strategic Partnerships, Families USA
- **The Crisis Facing Governors:** Hemi Tewarson, Director, Health Division, Center for Best Practices, National Governors Association
- **Medicaid and the State Fiscal Crisis:** Ellen Nissenbaum, Senior Vice President for Government Affairs, Center on Budget and Policy Priorities
- **Medicaid as a Recession Safety Net:** Stan Dorn, Director of the National Center for Coverage Innovation and Senior Fellow, Families USA
- **Centering Health Equity in Your State's Budget:** Carolina Valle, Senior Policy Manager, California Pan-Ethnic Health Network
- **Tools to Support Action in Your State**
- **Q&A**

Hemi Tewarson

Director, Health Division, Center for Best Practices
National Governors Association



@NatlGovsAssoc

About the National Governors Association



Conference of Governors at the White House, 1908

Over **100** years of serving
our nation's governors

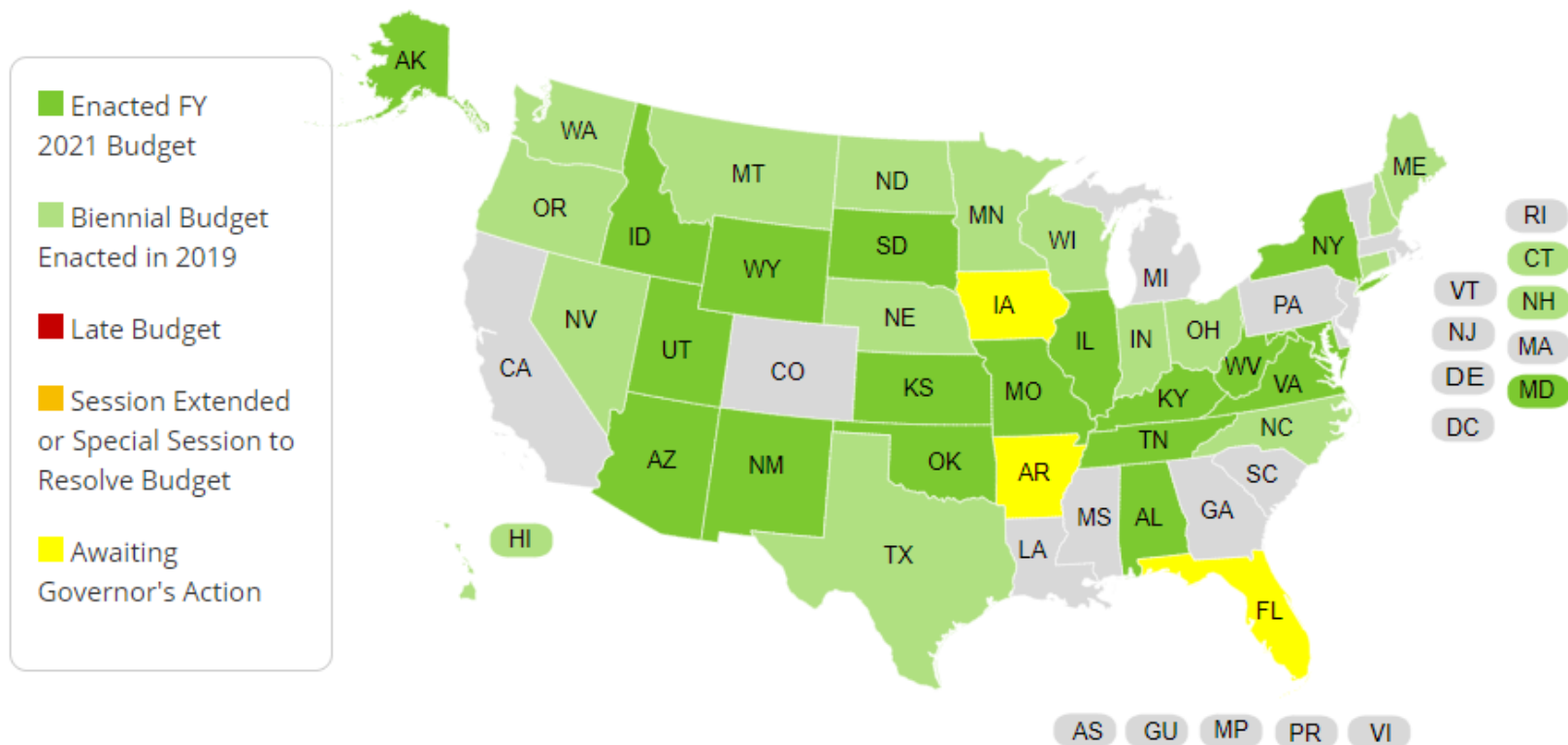
Founded in 1908, the National Governors Association (NGA) is the nonpartisan organization of the nation's 55 governors. Through NGA, governors share best practices, address issues of national and state interest and share innovative solutions that improve state government and support the principles of federalism.

Organization

The NGA Center for Best Practices is a 501(c)(3) and part of our larger organization.



FY 2021 State Budget Status



Source: National Conference of State Legislatures, 2020

COVID-19 Resources



<https://www.nga.org/coronavirus/>

On This Page

NGA Memos and Activities

Communications to the federal government and memos on best practices for managing the coronavirus crises.

Reopening and Recovery

Activity tracking are resources for reopening and recovery efforts.

What is the current state of coronavirus in the United States and abroad?

Latest numbers from the CDC

What steps have states taken to address coronavirus?

The **COVID-19 State and Territory Actions Tracker**, as well as a state-by-state **resource pages and select actions**

What steps has the federal government taken to address coronavirus?

Select federal actions and opportunities

Coronavirus Policy And Guidance Documents

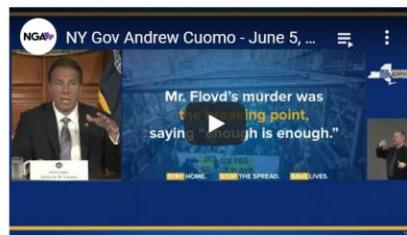
Federal, state, local, and NGO resources for fighting coronavirus.

Jump to a topic: **Funding** | **Testing** | **Planning & Preparedness** | **Legal** | **Critical Infrastructure** | **Operational Coordination** | **Communications** | **Supply Chain And Health System Readiness** | **Special Considerations For Vulnerable Populations** | **Long Term Care** | **Health Insurance** | **Human Services** | **Housing** | **Economic Development And Employers** | **Workforce And Labor** | **Schools and Childcare** | **Postsecondary Education** | **Public Safety** | **Elections**

State/Territory Needs and Resource Matching

An online hub for businesses and other organizations with supplies or services to connect with states officials regarding critical needs.

NGA Contacts



Thank You



For more information:

Hemi Tewarson
htewarson@nga.org
202-624-7803

Ellen Nissenbaum

Senior Vice President for Government Affairs, Center on
Budget and Policy Priorities



@CenterOnBudget

Medicaid and the State Fiscal Crisis

Unprecedented fiscal crisis confronting states for the next 2 years

Balanced budget requirement

States' costs rising related to COVID-19

Federal Medicaid Assistance Percentage (FMAP) operates as timely, efficient, flexible state fiscal relief

- Precedent in prior recessions of temporary FMAP "bumps"
- Ultimate goal: permanent automatic stabilizer FMAP

Increased FMAP in Families First

- **6.2 percentage point increase** in state FMAPs
 - Does not apply to expenditures for expansion group
 - Indirect impact on CHIP
- In effect beginning January 1, 2020 until end of the public health emergency (PHE)
- States must agree to **maintenance of effort** requirements that:
 - Prohibit more restrictive eligibility standards, procedures or methodologies
 - Prohibit states from terminating coverage for people eligible on or after March 18 until end of the PHE

Increases in FMAP Needed to Protect Coverage

Many States Cut Medicaid During Prior Economic Downturns

Number of states making Medicaid cuts in each state fiscal year



Note: Graph shows years in which states faced significant budget shortfalls during and following recessions; data for 2002 are not available.

Source: Kaiser Family Foundation



Outlook for FMAP/fiscal relief

- **Bipartisan governors' proposal**
 - Two equally-important components
 - Noteworthy FMAP feature
- **House HEROES ACT**
 - FMAP (“stairmaster FMAP”)
 - State/local grants
- **Senate Cassidy/Menendez**
 - NO FMAP
 - Insufficient funding

Getting the FMAP on the Radar Screen!

- **FMAP needs a big boost in the Senate!**
 - Not seen as fiscal relief
 - Not part of the debate about coverage
- **Stress the NGA proposal on the FMAP**
- Core principle for the next COVID deal: state/local fiscal relief should be provided through an **increase in the FMAP along with direct grants. NEED BOTH!**
- Republicans' push to address the MOE – without the FMAP?

Key Points to Make

- States are facing an **unprecedented fiscal crisis** that poses a threat to health care and other critical services.
- Without more federal help, **many states will likely cut Medicaid**, harming children and families, people with disabilities and seniors.
- Congress **must do more**, building on the bipartisan Families First and CARES Acts.
- Specifically, the next bipartisan Coronavirus relief package **must provide an additional increase in the FMAP to help protect coverage and help states avert harmful cuts in critical programs and services**. (Simply expanding direct grants to states is not enough.)
 - *Thank your House Dem for the FMAP bump in the HEROES ACT.*
- There's a **successful precedent**: the FMAP increases in the 2003 and 2009 recessions protected coverage, helped avert reductions in provider payments and helped states address their fiscal crises.

Stan Dorn

Director,
National Center for Coverage Innovation & Senior Fellow,
Families USA



@FamiliesUSA

Medicaid as a Cornerstone of American Health Care

Before the COVID-19 pandemic and recession, Medicaid covered:

- 75 million people, or **1 in 5 Americans**
- Almost half (49%) of all U.S. births
- 38% of all children, including 83% of poor children and 48% of children with special health care needs
- 45% of all adults under age 65 with disabilities
- More than six in ten (62%) nursing home residents

Medicaid coverage of laid-off workers varies by state:

- Expansion states: 36% of laid-off workers receive Medicaid
- Non-expansion states: 16.4% enroll in Medicaid

Sources: Kaiser Family Foundation. 10 Things to Know about Medicaid: Setting the Facts Straight <https://www.kff.org/medicaid/issue-brief/10-things-to-know-about-medicaid-setting-the-facts-straight/>

Anuj Gangopadhyaya and Bowen Garrett. "Unemployment, Health Insurance, and the COVID-19 Recession." Urban Institute, March 31, 2020. <https://www.urban.org/research/publication/unemployment-health-insurance-and-covid-19-recession>



COVID-19 Related Surges in Medicaid Enrollment

Most states saw:

- Modest or no enrollment growth from January to March (0% to 3%)
- Significant increases from January to April (0% to 6%)
- Massive increases from January to May for those states that have reported (3% to 10%)

January to May 2020 Medicaid enrollment change (states with available data):

State	Enrollment Change
Minnesota	10.33%
Kentucky	8.05%
Virginia	5.86%
Iowa	4.32%
Arizona	4.04%
North Carolina	3.55%

Medicaid as Recession Protection

Medicaid is an **automatic
fiscal stabilizer**

Higher FMAP makes Medicaid
even more effective in
combatting recession

Without significant state fiscal
relief, an estimated **5.3 million
additional workers will lose
their jobs**

Sources: Economic Policy Institute. Without federal aid to state and local governments, 5.3 million workers will likely lose their jobs by the end of 2021. <https://www.epi.org/blog/without-federal-aid-to-state-and-local-governments-5-3-million-workers-will-likely-lose-their-jobs-by-the-end-of-2021-see-estimated-job-losses-by-state/>

Jacobs, Paul D., Steven C. Hill, and Salam Abdus. "Adults Are More Likely To Become Eligible For Medicaid During Future Recessions If Their State Expanded Medicaid." *Health Affairs*. 36, NO. 1 (2017): 32–39.



Carolina Valle

Senior Policy Manager, California Pan-Ethnic Health
Network



@CPEHN

Centering Health Equity in Your State's Budget

In the COVID-19 response, the state failed to support trusted community-based organizations

- California Pan-Ethnic Health Network (CPEHN) is a coalition of over 40 community-based organizations (CBOs)
- COVID-19 response challenges include:
 - Digitizing a range of traditionally in-person programs
 - Distrust between government institutions and communities
 - Longstanding lack of investments in navigation services of CBOs
 - Building trust and rapport with new patients/consumers/clients

Centering Health Equity in Your State's Budget

Communities of color and the CBOs that serve them now bear the brunt of the impact in the economic downturn

- Shortfall of \$54 billion in response to COVID-19.
- \$14 billion in cuts to health and human services programs.
 - State budget cuts include Health4All elders, adult dental, navigators, black infant health program, etc.
 - While final June budget reflects fewer cuts, it is still contingent upon federal funding.

Centering Health Equity in Your State's Budget

With a shorter legislative cycle due to COVID-19, shifted audience for advocacy to state departments

- COVID-19 Recommendations from CPEHN's Network of Partners to Advance Racial and Health Equity
 - [Letter to Department of Public Health](#) | May 26, 2020
 - [Letter to Governor Gavin Newsom Re: Recommendations to Ensure Equitable and Effective COVID-19 Contact Tracing](#) | May 19, 2020
 - [Letter to Department of Health Care Services Re: COVID-19 Emotional Support Line](#) | May 6, 2020
 - [Letter to Governor Newsom](#) | April 20, 2020
 - [Letter to Congressional Leaders](#) | April 27, 2020

Centering Health Equity in Your State's Budget

With California's budget contingent on federal funding, shifted audience for advocacy to federal government

- Families First Act share of funding is not enough to fill \$14 billion hole
- Projecting at least **1.7 million new enrollees** in Medi-Cal
- CPEHN engaged our Having Our Say Coalition & Behavioral Health Equity Collaborative members in a joint letter
- Greater federal share of funding
- Maintain strong maintenance of efforts protections
- [Letter to Senators Feinstein and Harris](#) | June 2, 2020
- [Letter to Leader McConnell, Speaker Pelosi, Leader Schumer, and Leader McCarthy](#) | May 31, 2020

Questions?



Tools to Support Action in Your State

- **Resources**
 - National Governors Association: [COVID-19 Resources](#)
 - CBPP: [State FMAP estimates for Families First and HEROES ACT](#)
 - CBPP: [Basic analysis of why a bigger FMAP increase is needed](#)
 - CBPP: [Outreach Campaign for Non-Filers Eligible for Stimulus Payments](#)
 - Families USA: [Comprehensive COVID-19 Response Toolkit](#)
 - Families USA: [Early State Trends in Medicaid Enrollment](#)
 - Families USA: [State Projections for COVID-19 Related Uninsurance](#)
 - CPEHN: [State Budget and Impact on California's Communities of Color](#)
- **Let us know how we can best support you in the post-webinar survey!**

Tuesday, June 30, 2 p.m. ET

- Federal and State Policy Recommendations to Address COVID-19 Health Inequities
- Speakers:
 - Catherine Cortez Masto, U.S. Senator (D-NV)
 - Amber Hewitt, Director of Health Equity, Families USA
 - Clint Odom, SVP for Policy and Advocacy and Executive Director, Washington Bureau, National Urban League
- [Register here](#)

Contact

Info@familiesusa.org

www.familiesusa.org

[@FamiliesUSA](https://www.instagram.com/FamiliesUSA)



FamiliesUSA.org