April 14, 2020

Dear Congressional Leader:

As a result of the COVID-19 epidemic nearly 7,000 Ohioans are ill and over 350 are found to be infected by the virus every day. As the economy was shut down to contain the illness, almost 700,000 Ohioans filed for unemployment compensation. When people lose their jobs, many lose health benefits. Director Maureen Corcoran of the Ohio Department of Medicaid has said enrollment is up by 25% already.

We need the federal government to ensure Ohio’s Medicaid program can meet the health care needs of all Ohioans throughout the pandemic, which will last until treatment or a vaccine is developed, and throughout the pandemic-driven recession. Funding approved through the Family First Coronavirus Response Act (FFCRA) was not sufficient to last through the long recovery.

The FFCRA will provide Ohio with an estimated $1.2 billion in additional Medicaid funding through an increase of 6.2 percentage points in Federal Medical Assistance Percentage (FMAP). If Ohio’s general revenues are affected as they were in the last recession and fall at the same rate, adjusted for inflation, the state could see a budget gap of nearly $4 billion by the end of fiscal year 2021. Ohio received an estimated $3.5 billion in additional FMAP funding between 2009 and 2011; the ARRA-enhanced FMAP rate was 10 percentage points higher in 2010 than in 2011, when the regular FMAP was resumed. This aid allowed Ohio to maintain health and human services despite a plunge in state revenues. Federal Medicaid assistance of the same scale will be needed for the current pandemic and recession.

The federal government must assure Ohioans of sufficient support throughout what may be a prolonged recovery. A vaccine may not be available for 18 months. The Congressional Budget Office estimates unemployment will be 9% through the end of 2021. Yet health care provisions of the recent federal aid packages largely expire in 2020. The emergency aid for hospitals provided in the Coronavirus Aid, Relief and Economic Security Act (CARES) is one-time funding that could be quickly used up.

Medicaid is one of the biggest uses of Ohio’s General Revenue Funds. The program is growing as people lose jobs and incomes. If federal aid is eliminated too soon state lawmakers, who must balance the budget, may cut Medicaid eligibility and services to save money. This would harm efforts to contain the virus. Such cuts could be harmful to the most vulnerable, who are disproportionately enrolled in the program: older adults, people with underlying health conditions and people needing nursing home care or home-based care. Cuts to Medicaid would also harm the economic recovery. In Ohio, the Medicaid expansion alone supports an estimated 54,000 jobs. The health care sector employs thousands of workers in every county of the state. Medicaid is one of the best tools for fiscal
stimulus because of its ability to reach local economies everywhere through the paychecks of health care workers. Cuts to Medicaid endanger the backbone of the economy in rural places and urban neighborhoods, especially at this time.

To avoid Medicaid cuts that could cause millions of people to lose coverage or lose access to critical services during this public health crisis, Congress must substantially increase the share of Medicaid costs paid for by the federal government (the FMAP). That means:

• Adding to the modest FMAP increase that was enacted as part of the Families First Act.
• Continuing the increase until the economy truly recovers.
• Maintaining strong protections (“maintenance of effort”) to keep states from cutting coverage while receiving the additional federal funds.

Thank you for your consideration of this matter. We would be happy to answer any questions you may have.

Sincerely,

Wendy Patton

Wendy Patton
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