



## Coronavirus Medicaid Response Act

Sponsored by Sen. Bob Casey (D-PA) and Rep. Susie Lee (D-NV)

### Why do we need the Coronavirus Medicaid Response Act?

For over fifty years, Medicaid has played a vital role in providing health coverage to low-income Americans. Medicaid is also designed to respond to economic crises, serving as a critical safety-net for people who lose coverage due to job loss. The ongoing economic crisis created by COVID-19 is precisely the type of national crisis that the Medicaid program is suited to address.

As the country experienced during the 2001-2003 economic downturn and the Great Recession – and as states are experiencing now in the COVID-19 pandemic – during times of crisis, more people turn to Medicaid for coverage and more pressure is placed on already strained state budgets. This has forced Congress to pass emergency relief funding to alleviate deep budget cuts and keep Medicaid programs afloat. Yet economists ([here](#) and [here](#)), [MACPAC](#), and the [GAO agree](#) that action to support the financing of Medicaid should be tied to economic indicators, rather than relying on the political whims of Congress during a crisis.

### What would the Coronavirus Medicaid Response Act do?

The *Coronavirus Medicaid Response Act* would create a quicker and more responsive process for supporting state Medicaid programs. Specifically, the bill would automatically connect the Medicaid Federal Medical Assistance Percentage (FMAP) to state unemployment levels, so that federal aid would ebb and flow with a state's economy. To ensure accuracy, a state's FMAP would be calculated based on Local Area Unemployment Statistics collected by the Bureau of Labor Statistics and modified based on prospective and retrospective analysis.

Under current law, states rely on Congress, and political motivations, to obtain an FMAP increase. This bill removes that requirement and allows decisions to be made solely on the economic needs of a state. Any increases a state would receive would be in addition to previously enacted FMAP increases relating to COVID-19, but no state's FMAP can be greater than 95 percent.

**Supporters:** AFSCME, Alliance for Retired Americans, America's Health Insurance Plans, American Academy of Family Physicians, American Academy of Pediatrics, American Essential Hospitals, American Health Care Association, American Kidney Fund, American Physical Therapy Association, Association for Community Affiliated Plans, Association of Asian Pacific Community Health Organizations, Blue Cross Blue Shield Association, Center on Budget and Policy Priorities, Children's Health Fund, Children's Hospital Association, Children's Hospital of Philadelphia, Christopher & Dana Reeve Foundation, CommonSpirit Health, Community Catalyst, Einstein Healthcare Network, MomsRising, National Association of Counties, National Council on Aging, Pennsylvania Association of Community Health Centers, Pennsylvania Health Access Network, Protect Our Care, SEIU, SNP Alliance, The Association for Community Affiliated Plans, The Catholic Health Association of the United States, The Hospital and Healthsystem Association of Pennsylvania, UPMC, Youth Villages

**Senate Cosponsors:** Senators Cortez Masto, Bennet, Brown, Wyden, Shaheen, Merkley, Warner, Menendez, Rosen, Smith, Peters, Booker, Van Hollen, Tester, Stabenow, Whitehouse, Cardin, Warren, Klobuchar, King, Hassan and Carper

**House Cosponsors:** Representatives Barragán, Beatty, Bera, Carson, Cohen, Craig, Chu, D. Davis, Dean, DeLauro, DelBene, Dingell, Evans, Frankel, J. García, Grijalva, Hastings, Hayes, Holmes Norton, Horsford, Jones, Kilmer, Larson, Kuster, McCollum, Meeks, Moore, Neguse, Peters, Porter, Ruiz, Ryan, San Nicolas, Schakowsky, Schiff, Schrier, Sewell, Sherrill, A. Smith, Suozzi, B. Thompson, Titus, Tlaib, Underwood, Vargas, Wasserman Schultz, Watson Coleman and Wild

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