The Truth About Medicaid Funding and the FFCRA

THE PROBLEM: CONGRESS REMOVED STATES' ABILITY TO PROPERLY MANAGE THEIR MEDICAID PROGRAMS

Under the Families First Coronavirus Response Act (FFCRA) states must cover ineligible Medicaid enrollees to receive increased matching funds.

States are also blocked from:

- **Strengthening eligibility standards**
- **Raising premiums**
- **Increasing local contributions to Medicaid**

This is **far more restrictive** than any other previous FMAP bump, including the one given in 2009.

THE SOLUTION: UNTIE STATES' HANDS

Congress *must* untie states' hands and **save Medicaid funds for the truly needy**.

Every dollar spent on individuals whose incomes are above state eligibility thresholds is a dollar that cannot be preserved for those who actually meet eligibility requirements.

FGA

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HOW IT WORKS: STATES CANNOT REMOVE INELIGIBLE ENROLLEES IF THEY ACCEPT FEDERAL COVID FUNDS

Congress temporarily increased the portion of Medicaid costs paid by the federal government to the states (FMAP) **by 6.2 percent**.

In exchange, states **cannot remove even ineligible enrollees** unless they voluntarily ask to be removed or move out of state.

States must provide Medicaid coverage **to every current and incoming enrollee**—including the ineligible—to receive the funds increase.

THE IMPACT: SOARING ENROLLMENT, ELEVATED COSTS, AND LEGAL UNCERTAINTY

As a result of the pandemic, state general revenues are already expected to drop by 20 percent. To add insult to injury with this congressional hand tying, states will experience:

A jaw-dropping **55 million new Medicaid enrollees** → A **73 percent spike** from last year

Medicaid **spending could increase by $440 billion**

Legal conflict between state laws and FFCRA demands

WHO IT HURTS: EXPANSION STATES WILL BE HIT THE HARDEST

Medicaid spending in expansion states may increase by **nearly 80 percent**.

Temporary enhanced Medicaid funding for states **does not apply to Medicaid expansion costs**.