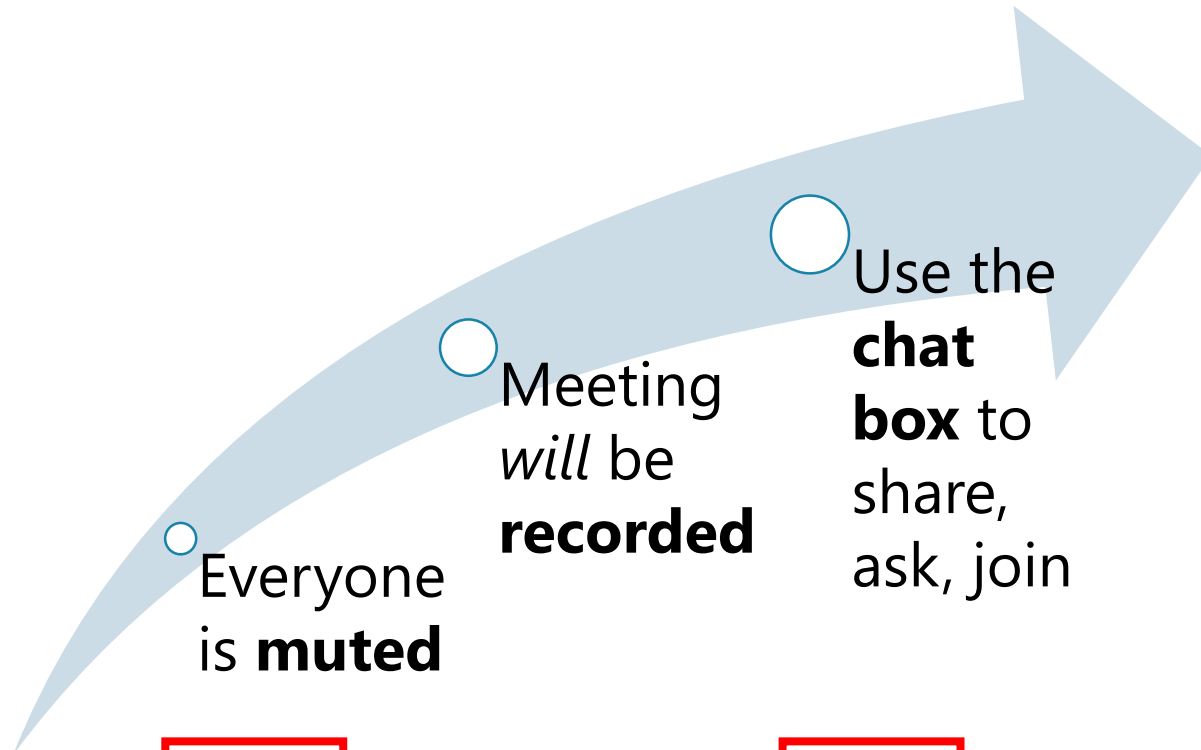

Federal Policy Webinar

Wednesday, June 24th, 2020



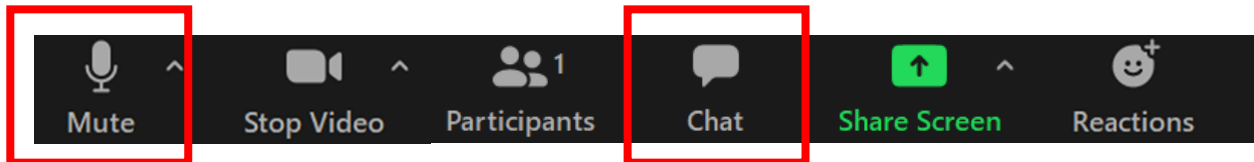
zoom Zoom with Catalyst



Everyone is **muted**

Meeting *will be* **recorded**

Use the **chat box** to share, ask, join



Virginia Health Catalyst

Striving to ensure all Virginians have equitable access to **comprehensive health** care that is inclusive of oral health.

**Public Health | Policy | Public Awareness
Community & Clinical Care**



Pat Finnerty

Virginia Health Catalyst Policy Committee Chair

Pat Finnerty is the founder of his own consulting firm, PWF Consulting, which provides consulting services to several health care organizations.

Pat served thirty-two years in the government. From 2002-2010, he was appointed by two governors to serve as Virginia's Medicaid Director, where he directed all aspects of Virginia's Medicaid and children's health insurance programs that financed health care coverage for low-income persons.

He is a founding board member of Virginia Health Catalyst and also serves as past president of the Virginia Dental Association Foundation Board.



CARES Act and Virginia

Virginia receives \$3.1 Billion from the CARES Act

Payment for expected lost revenues

Medicaid dental providers awarded **10%** based on 2019 expenditures

PPE Allotment

Providers allotted **\$16.9 million** for PPE and cleaning

Assistance for Virginia's free clinics

To meet the needs of the uninsured or underinsured, Virginia free clinics provided **\$2.0 million**

This is why federal advocacy matters!



Federal Medical Assistance Percentage (FMAP)

June 24, 2020



FMAP Basics

- The amount of Federal payments to a State for *medical services* depends on two factors:
 - The first is the actual amount spent that qualifies as “matchable” under Medicaid; and
 - The FMAP which is computed from a formula that takes into account the average per capita income for each State relative to the national average.
- By law, the FMAP cannot be less than 50% or more than 83%
 - **Virginia’s FMAP is 50%**
- FMAP for *administrative services* is essentially 50% for every state
- There are “Enhanced” FMAP rates for certain:
 - Health care services and populations (e.g., family planning, CHIP, certain women w/breast cancer); and
 - Administrative services (e.g., fraud control units, survey & certification; information systems)



Increased FMAP for COVID-19

- Families First Coronavirus Response Act, amended by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, provides a temporary FMAP increase of 6.2 percentage points for all states
 - Effective from January 1, 2020 to the last day of the calendar quarter in which the public health emergency ends
 - Increased match rate does not apply to administrative expenses or to most Medicaid spending that is already subject to an enhanced match, including ACA expansion adults
 - Will indirectly provide some increase to CHIP
- States must adhere to “Maintenance of Effort” requirements to receive increased FMAP
 - Maintain eligibility levels; not charge higher premiums; cover COVID-19 testing/treatment/services with no cost sharing; and provide continuous eligibility. (While not noted in CMS Q&A, prohibition on reducing benefits also is noted in various publications)



Comparison to 2009 American Recovery & Reinvestment Act (ARRA)

- ARRA included base 6.2 percentage point increase in FMAP, **plus** an additional amount based on an increase in the state's unemployment rate
 - Average total FMAP increase was 10% due to unemployment adjustment
- COVID-19 FMAP increase does not include additional amount based on an increase in a state's unemployment rate



ARRA
American Recovery and
Reinvestment Act of 2009



So, How Does this Impact Virginia?

- Preliminary estimates for Virginia range from \$700-\$930 million in additional federal Medicaid revenues if enhanced FMAP continues through 2020
 - Increase in Federal revenue reduces state spending by same amount
 - Allows state dollars to be spent in other ways



**DMAS total budget for
FY2021 = \$16.8 billion**



What's Next?

- House "Health and Economic Recovery Omnibus Emergency Solutions Act" or HEROES Act (H.R. 6800) includes 14 percentage point FMAP increase beginning July 1, 2020
 - While HEROES Act has little chance of passage in Senate, Congress is expected to pass another stimulus/relief bill
- National Governor's Association has requested at least 12% increase in FMAP
- National Association of Medicaid Directors has requested an increase in FMAP to 12% and an increase in the administrative match rate from 50% to 75%
- Oral Health Progress & Equity Network supports increase in general FMAP of at least 12% and a 5% increase for dental services



Get Involved!

Email Chloe Van Zandt to receive advocacy alerts and updates
cvanzandt@vahealthcatalyst.org

Follow us on Twitter [@VaOralHealth](https://twitter.com/VaOralHealth) & [@sarahholland54](https://twitter.com/sarahholland54)

