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## FISCAL UPDATE Article

Fiscal Services Division

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### COVID-19 — NCSL MEDICAID WEBINAR

**Webinar.** On April 21, 2020, the National Conference of State Legislatures (NCSL) hosted a [webinar](#) centered around Medicaid and different federal and state actions that have been taken to address the impact of COVID-19 on the program.

**Federal Legislation.** On March 18, 2020, the [Families First Coronavirus Response Act](#) was signed into law. Included in the Act were several provisions related to Medicaid, including prohibition of cost sharing on COVID-19 testing, an option to use Medicaid to provide testing for uninsured individuals at 100.0% Federal Medical Assistance Percentage (FMAP), and a 6.2% increase to the states' regular FMAP for each quarter in which the national emergency caused by COVID-19 remains in effect.

To qualify for the enhanced match rate, the State is required to:

- Maintain eligibility standards, methodologies, and procedures that are no more restrictive than those in effect on January 1, 2020.
- Not increase premiums above those in effect on January 1, 2020.
- Maintain enrollment for individuals enrolled prior to the passage of the federal legislation and those enrolled after passage of the legislation through the end of the month in which the national emergency is in effect, unless the individual requests termination of eligibility or is no longer a resident of the State (i.e., all individuals remain enrolled in Medicaid during the national emergency).
- Cover COVID-19 testing and treatments without cost sharing.

The State is expected to receive \$62.0 million for each quarter the 6.2% FMAP increase remains in effect for a minimum of \$124.0 million.

**Federal Waivers.** States may request different Medicaid waivers from the Centers for Medicare and Medicaid Services (CMS). Those waivers include:

- Section 1135 waivers that are contingent on national emergency declaration. The Secretary of Health and Human Services is authorized to take certain actions in addition to the Secretary's regular authority to waive certain requirements. States must apply for Medicaid to receive these waivers.
- Disaster relief State Plan Amendments (SPAs), which states may combine with CMS's Section 1135 waiver authority to implement a wide variety of changes.
- Home and Community-Based Services (HCBS) waivers (Section 1915(c), Appendix K), which modify state HCBS waiver programs in emergencies.
- Section 1115 waivers that are not a unique disaster authority, but which CMS has developed as a specific construct for COVID-19.

A complete list of waivers that have been requested by Iowa and their implementation status are available [here](#) and updated as changes are made.

**Retainer Payments.** One of the more pressing issues that states are working on with CMS is retainer payments for Medicaid providers to help keep providers solvent during and after the pandemic. Retainer

payments are currently allowed under Section 1915(c), Appendix K, but are limited to a narrow set of providers. States are requesting that those allowances be expanded to cover payments to a wider group of providers, including Federally Qualified Health Centers (FQHCs), home health agencies, behavioral health providers, and nonemergency medical transportation (NEMT) providers. The presenter indicated that CMS had reservations about duplicating existing federal dollars in the federal [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#) which provided \$100.000 billion directly to providers and has distributed \$30.000 billion to date.

**Colorado Medicaid Experience.** Josh Block, Budget Director for the Colorado Department of Health Care Policy and Financing, presented on the uncertainty in Medicaid enrollment and expenditures. To date, the surge in unemployment applications has not translated into new Medicaid applications in Colorado. This is likely due to individuals having access to health care through a family member or through other coverage options such as the Consolidated Omnibus Budget Reconciliation Act (COBRA), or individuals forgoing coverage until they become ill.

New enrollees are expected to have lower-than-average costs in their first year of coverage due to reduction in the health care services that are currently being provided during the pandemic. Colorado Medicaid is expecting to see lower Medicaid costs in the current fiscal year compared to the previous year due to reduced spending on elective hospital services, HCBS, transportation, and home health services.

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