



City of Philadelphia

City Council
Chief Clerk's Office
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Legislation Text

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Calling on the United States Senate to Adopt the Funding Enhancements to the Federal Medical Assistance Percentages (FMAP) as Provided in the HEROES Act HR 6800.

WHEREAS, The COVID-19 Pandemic has presented our nation with both an unprecedented health care and economic crises; and

WHEREAS, It appears our nation's states have largely dealt with the current health care crisis. For this we are grateful. Now these same states are left to meet an economic crisis unlike any since the Great Depression - while a secondary health care crisis waits in the wings; and

WHEREAS, Millions of lives have been upended by this pandemic and the concurrent shutdown has devastated economic activity, causing a wave of job losses and ending the longest economic expansion since World War II. April data shows that the U.S. economy lost 20.5 million jobs and the unemployment rate increased to 14.7 percent; and

WHEREAS, The Congressional Budget Office(CBO) estimates that the unemployment rate will average 15 percent during the second and third quarters of 2020, up from less than 4 percent in the first quarter. CBO expects the unemployment rate to decline somewhat but remain at 9.5 percent by the end of 2021 (about 6 percentage points higher than the rate in CBO's economic projection produced in January 2020); and

WHEREAS, Often individuals lose job-based health insurance coverage when they experience job loss. A recent Kaiser Family Foundation analysis shows that by January 2021, when unemployment insurance benefits cease for most people who lost jobs between March 1 and May 2, 2020, nearly 17 million people could be newly eligible for Medicaid; and

WHEREAS, This crescendo of need coincides with a dramatic drop in state revenues. By way of example, Pennsylvania, where we live and work, experienced a 49.7% reduction in revenues in April. Help is desperately needed for the Commonwealth to meet its obligations; and

WHEREAS, In times of economic crises, Federal Medical Assistance Percentages (FMAP) is one of the most useful tools the federal government must provide fiscal relief to states to compensate for revenue losses - while providing much needed health care for the economically displaced. This certainly proved to be the case in 2009 when in response to the Great Recession, Congress passed, and the President signed into law the American Recovery and Reinvestment Act which enhanced FMAP by 12% for over two years; and

WHEREAS, Earlier this year, a different Congress and President, both recognized the important role FMAP has to play in economic recovery when they passed and signed a 6.2% enhancement into law; and

WHEREAS, A 6.2% enhancement is an important first step toward economic recovery, but insufficient given the challenge confronting our nation; and

WHEREAS, Multiple state groups including the National Governors Association and the National Association of State Medicaid Directors have called for a further increase in the FMAP. By way of this letter, we add our voices to that call. The HEROES Act Bill passed by the House of Representatives on May 15, would increase the FMAP to 14 percentage points from July 1, 2020 through June 30, 2021. This increase would mean 3.6 billion dollars to the Commonwealth of Pennsylvania; and

WHEREAS, This flexible federal funding must be provided to fill immediate budgetary gaps caused by critical revenue losses, while providing much needed health care for millions as our nation waits for a COVID-19 vaccine; and

WHEREAS, Without this funding, state legislatures will be forced to cut funding for our essential utilities, highways, transit system, and other revenue generating public authorities. The nation is entering into one of the most significant economic downturns of the last century at an unprecedented pace. Budget cuts that prevent any investment in infrastructure will jeopardize both near-term supply chain needs and long-term economic stimulus; and

WHEREAS, Infrastructure stabilization and investment will improve our long-term economic recovery and support recovery from a pandemic recession by putting people back to work, now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That Council does hereby call on United States Senate to adopt the funding enhancements to the Federal Medical Assistance Percentages (FMAP) as provided in the HEROES Act HR 6800.

FURTHER RESOLVED, That a copy of this Resolution be transmitted to the Office of Senator Robert Casey and the Office of Senator Patrick Toomey to express the legislative sentiments of this elected body.