



**COLORADO**

Department of Health Care  
Policy & Financing

1570 Grant Street  
Denver, CO 80203

November 15, 2022

Honorable Michael Bennet  
United States Senate  
Washington, DC 20510

Honorable John Hickenlooper  
United States Senate  
Washington, DC 20510

Honorable Diana DeGette  
United States House of Representatives  
Washington, DC 20510

Honorable Doug Lamborn  
United States House of Representatives  
Washington, DC 20510

Honorable Joe Neguse  
United States House of Representatives  
Washington, DC 20510

Honorable Jason Crow  
United States House of Representatives  
Washington, DC 20510

Honorable Lauren Boebert  
United States House of Representatives  
Washington, DC 20510

Honorable Ed Perlmutter  
United States House of Representatives  
Washington, DC 20510

Honorable Ken Buck  
United States House of Representatives  
Washington, DC 20510

**RE: Colorado Medicaid Request for Additional Notice and Tapering of Enhanced Federal Medical Assistance Percentage (FMAP) When the Public Health Emergency (PHE) Ends**

Dear Colorado Congressional Delegation:

Colorado Governor Jared Polis and the Colorado Department of Health Care Policy & Financing (HCPF), Colorado's single state agency for the administration of Medicaid and the Children's Health Insurance Program (CHIP), write to request your assistance to enable the continuation of a portion of the federal medical assistance percentage (FMAP) to cover eligible Coloradans under Medicaid and CHIP throughout the Centers for Medicare and Medicaid Services' (CMS) suggested disenrollment period after the COVID-19 public health emergency (PHE) concludes, as well as to fund health care workforce initiatives designed to address provider shortages exacerbated by the pandemic. We further request a 90-day notice before the end of the PHE.



## Disconnect Between Federal FFCRA Law & State PHE Unwinding Timelines

Current federal law enacted by the Families First Coronavirus Response Act (FFCRA) stipulates that states will receive increased FMAP “through the end of the quarter in which the PHE ends.” For example, if the COVID-19 PHE ends on April 11, 2023, then state Medicaid programs will receive notice on February 10, 2023 that they will cease to receive the 6.2 percentage point FMAP PHE enhancement after June 30, 2023, the end of the quarter, creating a state enhanced FMAP cliff at the end of June.

In this example, on May 1, 2023, Colorado would begin the process of terminating coverage for beneficiaries who no longer meet eligibility requirements or do not provide information needed for the state to renew their Medicaid eligibility upon their next renewal anniversary. Under [CMS COVID-19 PHE Unwinding FAQs](#) and [SHO 22-001](#), states are permitted and encouraged to take 12 to 14 months after the end of the PHE to conduct redeterminations in order to ensure that agencies have the time to process cases and appeals of eligibility denials correctly. Yet, under current FFCRA, during this unwinding period, states would receive only about three months of enhanced FMAP (part of April, then May and June, in the example above).

To ensure that Colorado can finance coverage of individuals during the full recommended redetermination period, Colorado respectfully requests a portion of the 6.2 percentage point enhanced FMAP, which we have calculated at 1.35 percentage points (about \$110 million estimated for Colorado), to continue during the 12 months of redeterminations after the end of the PHE, according to individual renewal anniversaries. Specifically, this allocation would cover the cost to continue covering at least 310,000 Colorado Medicaid and CHIP members, according to our forecast, who are currently “locked into” continuous coverage through their annual renewal determination date under FFCRA requirements but who will likely not qualify for coverage upon their renewal when the PHE unwind occurs. (See [CMS COVID-19 PHE Unwinding FAQs](#), October 17, 2022, and [CMS COVID-19 FAQs for State Medicaid and CHIP Agencies](#), January 6, 2021).

## Health Care Workforce Crisis

Additionally, we ask Congress to enable states to address the health care workforce crisis fueled by the impact of COVID-19. Without efforts to overcome current and projected health care workforce challenges, Colorado and all states will struggle to effectively serve Medicaid and CHIP members, individuals covered under other public programs and commercial coverage, as well as the uninsured. Further, enabling states to address the workforce crisis will help achieve our shared goal of mitigating health disparities that impact Medicaid and CHIP members. To remediate this workforce crisis, we request that as the PHE comes to a close, Congress also extend a portion (an additional 2.0 percentage points on top of the 1.35 points) of the enhanced 6.2 percentage point FMAP for a period of years (i.e., 3 years). Specifically, HCPF (and other state Medicaid agencies) would use these funds to grow and train the health care workforce; invest in workforce cultural competencies and related



training; develop and refine value based payments that reward providers for reducing health disparities; and work with CMS to achieve greater flexibility for provider transformation to meet community health needs and stabilize funding streams.

If this request is approved, it would result in a tapering of the 6.2 points of additional FMAP at the end of the PHE: 6.2 points during the entire fiscal quarter in which the PHE ends, 3.35 points in the first year after the PHE, and 2.00 points in years 2 and 3 after the PHE.

### **Request for Additional Notice of the End of the PHE**

We respectfully request that the U.S. Department of Health & Human Services (HHS) provide a 90-day notice prior to the end of the PHE, versus the currently assured 60-day notice. This will better enable the eligibility staff to be hired and trained as necessary to manage the additional redetermination workload.

### **Summary and Conclusion**

We respectfully ask that Congress consider adding provisions to the federal budget bill to amend FFCRA to ensure that states can fund coverage while accomplishing PHE unwinding activities up through the respective annual renewal dates and to provide funding for health care workforce initiatives as described herein to address the current workforce crisis. Specifically, we request that Congress taper the discontinuance of the 6.2 points of additional FMAP at the end of the PHE: 6.2 points during the entire fiscal quarter in which the PHE ends, 3.35 points in the first year after the PHE, and 2.0 points in years 2 and 3 after the PHE as follows:

1. Extend a portion of the enhanced 6.2 percentage point FMAP, calculated at 1.35 percentage points, to finance coverage of members during the full recommended PHE redetermination period; and
2. Create a gradual phase down of enhanced FMAP under FFCRA, rather than a cliff, by extending 2.0 percentage points of the enhanced FMAP for three years through CY 2025, to grow and train the health care workforce; work with CMS to achieve greater flexibility for provider transformation to meet community health needs and stabilize funding streams; invest in workforce cultural competencies and related training; and develop and refine value based payments that reward providers for reducing health disparities.

We further request that you ask USDHHS to provide at least a 90-day notice prior to the end of the PHE versus the currently assured 60-day notice.

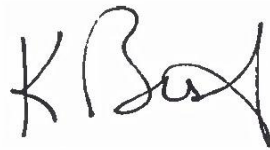
Please direct questions on this correspondence to [Kim.Bimestefer@state.co.us](mailto:Kim.Bimestefer@state.co.us). Thank you for your assistance. We appreciate your consideration.



Sincerely,



Jared Polis  
Governor  
State of Colorado



Kim Bimestefer  
Executive Director  
CO Department of Health Care Policy & Financing

cc: Adela Flores-Brennan, Colorado Medicaid Director

