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April 22, 2020

Dear Member of Ohio Congressional Delegation:

The Center for Community Solutions wants to thank you for your work thus far to address the COVID-19 pandemic. As you know, the impact of this virus has on the health, wellbeing and economy of Ohio is unprecedented, especially for the elderly, those who are taking care of the sick and for individuals with pre-existing conditions. Many have lost their jobs or have had their hours cut and numerous workplaces are not yet safe.

The Center for Community Solutions, which has served Ohio communities since 1913, is doing all it can to respond to the needs of the community, advocating for policies which better the health, social and economic conditions of Ohioans through nonpartisan research, policy analysis, communications and advocacy. We are reaching out to you today to recommend two key policies in Medicaid that will help Ohio be resilient:

1. The maintenance-of-effort (MOE) provision in the *Families First Coronavirus Response Act* should be maintained.
2. Per the recommendation of the National Governor's Association, the next COVID-19 legislation should provide additional federal funding for Medicaid by increasing the Federal Medical Assistance Percentage (FMAP) to 12% and maintain that level until the national unemployment rate falls below 5%.<sup>i</sup>

During the Great Recession, Ohio lost 415,000 jobs and state revenues were down 11.2%.<sup>ii</sup> Fortunately, the 2009 economic stimulus provided nearly \$3.5 billion for Ohio Medicaid, allowing the program to cover 370,000 additional Ohioans.<sup>iii</sup> Historically, Medicaid has muted economic downturns, lessening the loss in real GDP by 15 to 17 percent during the five recessions between 1969 and 1999.<sup>iv</sup> During the Great Recession, additional FMAP was proven to deliver swift economic relief that saved and created Ohio jobs and stimulated economic activity.<sup>v</sup> In a state where the second largest industry is health care, these resources bolstered those serving on the front lines of our delivery system and ensured Ohio was able to weather the storm.

With COVID-19, we are facing unique public health and economic challenges. Currently, estimates show Ohio Medicaid will have to cover up to 953,000 lives as nearly 1.7 million Ohioans lose coverage through their employer.<sup>vi</sup> What's more, given the potential revenue loss

providers may face from limiting services, and the concurrent demand in testing and treatment, private insurance premiums may increase by as much as 40%.<sup>vii</sup> Because Medicaid is an established way to keep premiums lower in the private market<sup>viii</sup>, the need for adequate coverage and resources through Medicaid is not only important for the patients and providers who rely on those resources, but the Ohio businesses and workforce relying on affordable sources of coverage.

Additionally, a recent state budget stress-test analysis from Moody's Analytics found the current FMAP increases were "relatively small" and that enhanced FMAP would be an "extremely efficient and timely way to get additional funds to state governments quickly as state policymakers begin to grapple with the budget impacts of COVID-19."<sup>ix</sup> With Ohio facing between \$2.9 and a \$4.3B shortfall, even after current Congressional investments and the use of Ohio's rainy day funds, increasing the FMAP to 12% is a simple, effective way to support state governments.

Please support the MOE provision and the increase in FMAP to 12% for Medicaid until national unemployment is back under 5%. It's a proven way to ensure Ohio's businesses, providers and communities are able to get through this crisis and get back on their feet.

Sincerely,



John Corlett  
Executive Director  
Center for Community Solutions

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<sup>i</sup> "Governors' Letter Regarding COVID-19 Aid Request." National Governors Association, April 21, 2020. <https://www.nga.org/policy-communications/letters-nga/governors-letter-regarding-covid-19-aid-request/>.

<sup>ii</sup> "Fiscal 50: State Trends and Analysis." The Pew Charitable Trusts. Accessed April 17, 2020. <https://www.pewtrusts.org/en/research-and-analysis/data-visualizations/2014/fiscal-50#ind7>.

<sup>iii</sup> "Legislative Service Commission - Historical Revenues and Expenditures." Legislative Service Commission. Accessed April 17, 2020. <https://www.lsc.ohio.gov/pages/reference/current/historicalrevandexpenditure.aspx>.

<sup>iv</sup> "Medicaid Could Help Economy Recover During Recession, Joint Center for Political and Economic Studies, Report Says." Commonwealth Fund. Accessed April 17, 2020. <https://www.commonwealthfund.org/publications/newsletter-article/medicaid-could-help-economy-recover-during-recession-joint-center>.

<sup>v</sup> Wilson, Daniel J. American Economic Journal: Economic Policy 2012, 4(3): 251–282. April, 2020. <https://www.frbsf.org/economic-research/files/wp10-17bk.pdf>.

<sup>vi</sup> "COVID-19 Impact on Medicaid, Marketplace, and the Uninsured, by State." Health Management Associates, April 3, 2020. <https://www.healthmanagement.com/wp-content/uploads/HMA-Estimates-of-COVID-Impact-on-Coverage-public-version-for-April-3-830-CT.pdf>.

<sup>vii</sup> King, Robert. "COVID-19 Could Cause Insurance Premiums to Spike as Much as \$251B next Year: Report." FierceHealthcare, March 23, 2020. <https://www.fiercehealthcare.com/payer/covered-california-covid-19-testing-treatment-costs-could-lead-to-higher-premiums-2021>.

<sup>viii</sup> Semanskee, Ashley, Cynthia Cox Follow @cynthiacox, and Larry Levitt. "Data Note: Effect of State Decisions on State Risk Scores." The Henry J. Kaiser Family Foundation, October 7, 2016. <https://www.kff.org/health-reform/issue-brief/data-note-effect-of-state-decisions-on-state-risk-scores/>.

<sup>ix</sup> White, Dan, Sarah Crane, and Collin Seltz. "Stress-Testing States: COVID-19." Moody's Analytics, April 14, 2020.