



CHAIR
Larry Hogan
Governor of Maryland

VICE CHAIR
Andrew Cuomo
Governor of New York

March 19, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
U.S. Capitol Building, Room S-230
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
U.S. Capitol Building
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader
United States Senate
U.S. Capitol Building, Room S-224
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
U.S. Capitol Building
Washington, DC 20510

Dear Majority Leader McConnell, Minority Leader Schumer, Speaker Pelosi and Minority Leader McCarthy:

Governors are at the center of the response to COVID-19 and need Congress and the Administration to support their efforts. Congress and the Administration should provide at least \$150 billion in immediate direct aid to the states, with maximum flexibility for governors' COVID-19 efforts. Despite the uncertainty and rapidly-changing nature of this pandemic, governors are working tirelessly to ensure the health and safety of their residents. To meet this challenge, governors are asking for a new program that would provide unrestricted state fiscal support in addition to traditional funding streams.

States and territories are allocating hundreds of millions of dollars to respond to COVID-19 and have taken significant and costly steps to mitigate the spread of COVID-19. Providing aid directly to states and territories gives governors the flexibility they need to try innovative approaches to protect a wide range of services such as: addressing the increase in unemployment, minimizing the economic impact of business closures, ensuring all students have access to education, meeting the child care and housing needs of residents, and maintaining public transportation and social welfare programs.

Governors appreciate the aid from Congress in the two supplemental appropriations acts for addressing the public health response, as well as aid to individuals and states – particularly for the unemployed. While Congress works on a third emergency spending bill, governors are seeking as much flexibility as possible with federal programs to address the critical gaps in their states.

Medicaid is the largest source of federal funds spent by states: 48 percent of all federal funds spent by states come from the Medicaid program. One of the most impactful things Congress can do is increase the federal share of Medicaid funding for states. Governors appreciate the Families First Coronavirus Response Act, with an increase of Federal Medical Assistance Percentage (FMAP) by 6 percent to states. However, this falls short of what states will need. Longer term, automatic and more robust increases in FMAP are needed as states and territories rapidly respond to COVID-19, including funds for states and territories that expanded Medicaid.

Therefore, the nation's governors request an increase of FMAP to at least 12 percent, which many states received under the 2009 American Recovery and Reinvestment Act, to include Medicaid expansion states. Additionally, the Medicaid Fiscal Accountability Rule should be eliminated in the face of this unprecedented public health and economic challenge.

We stand ready to work with Congress on this urgent request.

Sincerely,



Governor Larry Hogan
Chair



Governor Andrew Cuomo
Vice Chair