

**Congress of the United States**  
Washington, DC 20515

October 19, 2021

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Charles Schumer  
Majority Leader  
United States Senate  
Washington, DC 20510

The Honorable Steny Hoyer  
Majority Leader  
U.S. House of Representatives  
Washington, DC 20515

Dear Speaker Pelosi, Majority Leader Hoyer, and Majority Leader Schumer:

As Members from 12 states that have yet to expand Medicaid, we write with great concern regarding reports in the press that the expansion incentives passed as part of the American Rescue Plan (ARP) may be repealed. This is especially troubling in light of other reports that the policy proposal to address the coverage gap in the Build Back Better Act may be temporary. We strongly oppose efforts to repeal these expansion incentives, particularly if a permanent coverage gap policy is not put in place.

If the final coverage gap policy in the Build Back Better Act is temporary, the expansion incentives are likely to be an important part of closing it permanently in the future. As you know, the ARP provided an increase to the Federal Medical Assistance Percentage (FMAP) of five percentage points for two years for any state that newly expands Medicaid. This increase is projected to be sufficient to cover the 10 percent state share for expansion enrollees during that time and is a critical factor for those states actively considering expansion. Repealing the ARP expansion incentives would throw a wrench in those discussions and may cause states to continue to refuse to expand Medicaid.

The pandemic has underscored the essential role that access to health care plays in our lives, the importance of the health of our neighbors in our communities, and the inequities of our health care system. A vital step to address these inequalities is securing affordable coverage for the 4 million Americans that currently fall in the coverage gap. These individuals have very low incomes and are disproportionately people of color. According to the Center for American Progress, in non-expansion states people of color made up 60 percent of individuals in the coverage gap.<sup>1</sup> To meaningfully address racial health disparities in this country, states must

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<sup>1</sup> Gideon Lukens and Breanna Sharer, “Closing Medicaid Coverage Gap Would Help Diverse Group and Narrow Racial Disparities,” Center on Budget and Policy Priorities (Center on Budget and Policy Priorities., June 14, 2021), <https://www.cbpp.org/research/health/closing-medicaid-coverage-gap-would-help-diverse-group-and-narrow-racial>.

expand Medicaid. And in the absence of a permanent solution in the Build Back Better Act, giving states additional financial incentives to do so is critical.

Too many individuals and families still worry about whether they can afford the health care that they need, and our constituents that live in non-expansion states feel this acutely. As we have emphasized in previous letters, as federal policymakers, we have an unprecedented opportunity to provide much needed affordable coverage options to millions of Americans, but we must ensure that we are continuing to pursue state-led expansions of Medicaid at the same time. As you work to finalize the Build Back Better Act, we strongly urge you to maintain the financial incentives passed as part of the ARP for newly expanded states.

Sincerely,



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Lizzie Fletcher  
Member of Congress



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Kathy Castor  
Member of Congress



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Henry Cuellar  
Member of Congress



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David E. Price  
Member of Congress



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G. K. Butterfield  
Member of Congress



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Terri Sewell  
Member of Congress



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Ted Deutch  
Member of Congress



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Frederica S. Wilson  
Member of Congress



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Marc Veasey  
Member of Congress



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Lois Frankel  
Member of Congress



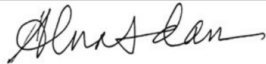
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Vicente Gonzalez  
Member of Congress

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Sheila Jackson Lee  
Member of Congress



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Alma S. Adams, Ph.D  
Member of Congress



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Darren Soto  
Member of Congress



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Charlie Crist  
Member of Congress



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Kathy Manning  
Member of Congress

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Sharice L. Davids  
Member of Congress

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Deborah Ross  
Member of Congress

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Nikema Williams  
Member of Congress

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Joaquin Castro  
Member of Congress

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Carolyn Bourdeaux  
Member of Congress

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Eddie Bernice Johnson  
Member of Congress

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Filemon Vela  
Member of Congress

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Bennie G. Thompson  
Member of Congress