

The Honorable Charles Grassley
Committee Chair
U.S. Senate, Finance Committee
Washington, DC 20515

Dear Senator Grassley,

The undersigned Iowa based organizations are reaching out about the very critical and specific needs of the disability community, service providers, and the workforce in the face of the COVID-19 pandemic. Our organizations collectively represent individuals with disabilities, their families, the vast provider network that supports individuals with disabilities in their homes and communities, and other stakeholders.

As the Senate begins to negotiate the next COVID-19 package, we want to highlight the top priority ask for the next piece of legislation for the disability community, dedicated funding for Medicaid Home and Community-Based Services (HCBS). The dedicated funding HCBS services is of utmost importance to the state of Iowa and the disability community. Those funds are necessary to support the workforce that supports people with disabilities, the providers that employ that workforce, and the people with disabilities who rely on those services to live safely in their homes and communities.

The package negotiated in the Senate must include the dedicated funds for Medicaid HCBS. The HEROES Act passed by the House in May included a targeted 10 point increase in the Federal Medical Assistance Percentage (FMAP) for HCBS. These targeted funds are desperately needed. Millions of people with disabilities, aging adults, and their families rely on the Medicaid system to support them in their homes and communities. Moreover, as states face budget crises and other stressors, states have often responded by cutting Medicaid benefits, eligibility or payments to providers. This is a particular threat to HCBS because under the Federal Medicaid law they are optional services, although for the individuals who rely on them, there is nothing optional about them.

Prior relief has not been targeted to state HCBS systems. While there has been some very limited funding available to some providers, this dedicated HCBS FMAP increase is distinct from that and serves a different purpose. For example, it would provide funding to help states transition people to the community from nursing homes and other congregate settings impacted by COVID19, to support the essential workforce that supports people with disabilities in their homes and communities and ultimately for states to provide HCBS to prevent them from going into dangerous nursing homes and other congregate settings. It is important to clarify that the limited funding available to some providers through PPP loans or the Provider

Relief Fund disbursements are not duplicative and serve a different purpose than the dedicated HCBS funding that we are requesting.

We are grateful that Medicaid HCBS providers were able to apply for PPP loans, for those that did, that funding provided **temporary** relief at the beginning of the pandemic. These funds, while helpful, were not available to all providers, and was not sustaining funding. In addition, Department of Health and Human Services' (HHS) June announcement that Medicaid providers would be included in the recent disbursement from the Provider Relief Fund was welcome news. However, the rollout of the Medicaid and CHIP Provider Relief fund, has been far from ideal, with inconsistent and inadequate communication from HHS. Many providers have either once again been left out, or are being blocked from accessing the full amount of funding they are due, because of the lack of information and flexibility of HHS. While the dedicated HCBS funding is for much more than supporting providers, we also wanted to highlight the fact that the supports to these groups have also been insufficient.

Finally, we also urge you to support a global FMAP increase in addition to the dedicated HCBS funding outlined above. Both are incredibly important to stabilize the Medicaid program for people with disabilities. During a pandemic it is imperative that funding flows to states to support the overall stability of the Medicaid program.

We know that we must act now to prevent much of the worst impact of the pandemic, and we are grateful for the prompt action so far taken. But we urge the Senate to address the unfinished business discussed in this letter.

Sincerely,