



Catalyst Center COVID-19 Resource Series THE CARES ACT AND HEALTH COVERAGE

Can Medicaid/CHIP Enrollees Lose Coverage During the Public Health Emergency? Federal Medical Assistance Percentage (FMAP) Increase and Maintenance of Effort Requirements Under the CARES Act

The goal of this fact sheet is to provide Title V programs and allies with a summary of guidance in clear language in order to build understanding of key financing and coverage provisions during the COVID-19 emergency, support care coordination, benefits and coverage counseling and aid in reducing the risk of family financial hardship.

The [CARES Act](#) became law on March 27, 2020. This \$2.2 trillion package builds on two previous Congressional legislative efforts to address the health and economic impacts of the Coronavirus pandemic.

The following are brief highlights of one of the health coverage-related provisions of the CARES Act that has implications for states, children and youth with special health care needs, their families, and providers.

Federal Medical Assistance Percentage (FMAP) increase (Section 3720)

The amount of funding states receive from the federal government in support of their Medicaid programs has been increased by 6.2% from January 1, 2020 through the end of the emergency period.

To be eligible for the funds, states are required to:

- Maintain the eligibility standards and premium schedule they had in place on January 1, 2020 (expanding eligibility is allowed under a [Section 1135 waiver](#)).
- Continue eligibility for current and new enrollees from March 18, 2020 through the end of the month of the emergency period. This means Medicaid enrollees cannot be removed from the program for any reason unless they move out-of-state or disenroll themselves.

The information presented is accurate as of its publication date. Further federal agency guidance, regulations and rules are being issued rapidly and may have an impact on this content. For the most up-to-date information on Medicaid/CHIP guidance, state flexibility-related tools and checklists, waiver and amendment approvals, and clinical/technical guidance please view [Coronavirus resources for states at Medicaid.gov](#).

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