



FEDERAL MEDICAL ASSISTANCE PERCENTAGE OR FMAP – HUMAN SERVICES

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE
STAFF: CLARE TOBIN LENCE

ISSUE BRIEF

SUMMARY:

The Federal Medical Assistance Percentage (FMAP) represents the federal share of the programmatic costs for Medicaid and federal Title IV-E programs from the *Social Security Act*. Title IV-E funds are used to support foster care and adoption assistance in the Division of Child and Family Services. The federal government utilizes a formula to determine its annual percent of FMAP. The projected FMAP rate for State Fiscal Year 2018 for Utah is 70.17 percent, which represents a 0.185 percent increase from the State Fiscal Year 2017 FMAP rate. As a result, Utah will receive more federal funds than last year and can commit fewer state funds to these programs, while keeping Medicaid and Title IV-E programs funded at the same level in FY 2018 as in FY 2017. **The FMAP change will free up \$668,000 in General Fund.** Of the total change, \$543,700 or 81 percent is within the Division of Services for People with Disabilities.

LEGISLATIVE ACTION:

The Fiscal Analyst recommends the Subcommittee consider adopting the FMAP rate change as shown in Table 1.

FMAP Rate Details and Adjustments:

The projected FMAP rate for State Fiscal Year 2018 for Utah is 70.17 percent, which represents a 0.185 percent increase from the State Fiscal Year 2017 FMAP rate. The federal government utilizes a formula to determine its annual percent of FMAP based on a rolling three-year average of per capita income levels compared to the national average. By law the FMAP rate cannot be lower than 50 percent or higher than 83 percent. The rates reported in this brief and shown in Appendix A have been adjusted to reflect the state, rather than federal, fiscal year. Table 1 shows the impact of the FMAP rate change by division and program.

FY 2018 FMAP Rate Adjustments for Human Services				
Division	Program	General Fund	Medicaid Funds	Title IVE Funds
DSAMH	Utah State Hospital	(\$35,000)	\$35,000	
DSPD	State Developmental Center	(\$69,400)	\$69,400	
DSPD	Community Waiver Services	(\$460,200)	\$460,200	
DSPD	Brain Injury Waiver	(\$9,700)	\$9,700	
DSPD	Physical Disabilities Waiver	(\$4,400)	\$4,400	
DCFS	Out of Home Care *	(\$42,900)		\$20,700
DCFS	Special Needs	(\$600)		\$600
DCFS	Adoption Assistance *	(\$36,100)		\$20,700
DAAS	Aging Waiver*	(\$9,700)		
DHS Total		(\$668,000)	\$578,700	\$42,000

* For DCFS/DAAS, Medicaid match is paid directly to the Department of Health with no offset.

Table 1

Source: Department of Human Services, Office of the Legislative Fiscal Analyst

Appendix A – Utah History of FMAP:

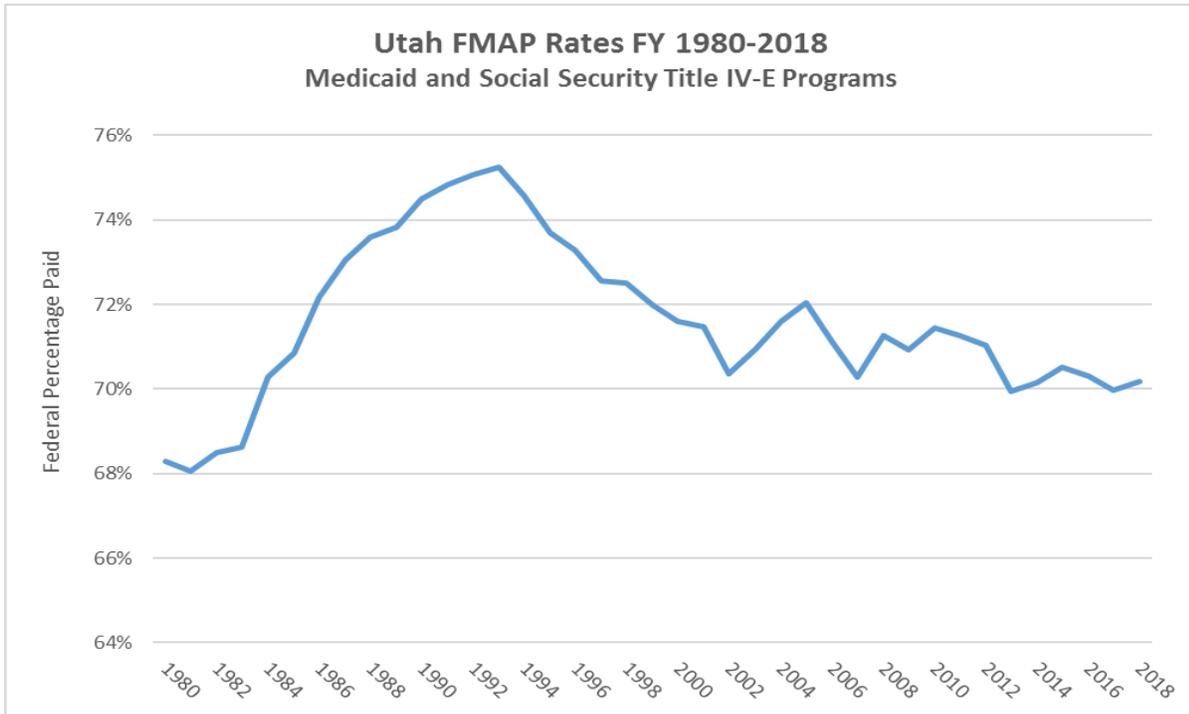


Table 2

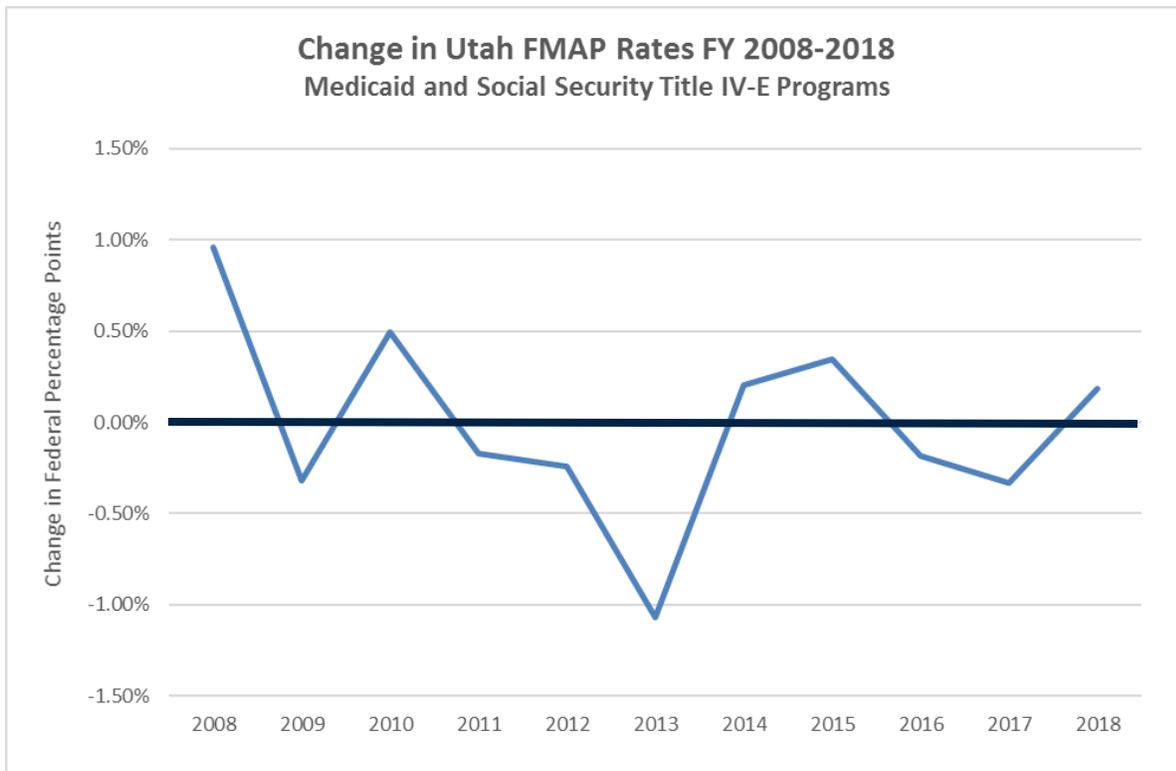


Table 3

Source: Office of the Legislative Fiscal Analyst

Appendix B – How FMAP Changed in All States:

Federal Funds Information for States (FFIS) states that “on September 28, the Bureau of Economic Analysis (BEA) released revised state personal income and per capita income data for 2015, and revisions for prior years. The federal government uses state per capita income to calculate each state’s reimbursement rate—the Federal Medical Assistance Percentage (FMAP)—for Medicaid and other grant programs. The Children’s Health Insurance Program (CHIP) uses an enhanced FMAP, which is higher than the Medicaid matching rate. The BEA release allows calculation of the final fiscal year (FY) 2018 FMAPs and enhanced FMAPs, which are based on per capita incomes for calendar years 2013-2015.”

The following table summarizes the BEA data and provides estimates of the final FY 2018 FMAPs. FFIS estimates that FMAPs will increase in 25 states (with 10 states seeing increases of more than one percentage point) and decline in 12 states. The rate changes shown in the table are based on the federal fiscal year.

FY 2018 FMAP Percentage-Point Change							
	Increases		Decreases		No Change		
Delaware	2.23	Texas	0.70	Kansas	-1.47	Alaska	0.00
Iowa	1.74	Nebraska	0.70	Oklahoma	-1.37	California	0.00
West Virginia	1.44	Florida	0.69	Indiana	-1.15	Connecticut	0.00
Louisiana	1.41	Arizona	0.65	Vermont	-0.99	District of Columbia	0.00
Missouri	1.40	Georgia	0.61	Oregon	-0.85	Maryland	0.00
Alabama	1.28	Ohio	0.46	Illinois	-0.56	Massachusetts	0.00
Arkansas	1.18	Rhode Island	0.43	Michigan	-0.37	Minnesota	0.00
Nevada	1.08	South Dakota	0.40	Idaho	-0.34	New Hampshire	0.00
New Mexico	1.03	Utah	0.36	Montana	-0.18	New Jersey	0.00
Mississippi	1.02	South Carolina	0.28	Hawaii	-0.15	New York	0.00
Tennessee	0.86	Wisconsin	0.26	Maine	-0.04	North Dakota	0.00
North Carolina	0.73	Pennsylvania	0.04	Colorado	-0.02	Virginia	0.00
Kentucky	0.71					Washington	0.00
						Wyoming	0.00

Table 3

Source: Federal Funds Information for States (FFIS). “FY 2018 FMAPs: Several States See Big Increases,” Issue Brief 16-49, September 29, 2016.