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# FISCAL UPDATE Article

Fiscal Services Division

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## FY 2025 FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP) RATE

The Bureau of Economic Analysis [released](#) final State personal per capita income data for 2022 on September 29, 2023. This allows states to calculate the final federal fiscal year (FFY) 2025 FMAP rates. The FFY 2025 FMAP rates are based on per capita personal incomes for calendar years 2020 through 2022. These rates are calculated on a federal fiscal year basis, but the numbers in this article have been blended to reflect State fiscal year (SFY) 2025. Iowa's SFY 2025 FMAP rate decreased by -0.41% to 63.47%. This means for every dollar spent on the Medicaid program, the federal government will pay \$0.6347 and Iowa pays \$0.3653. The FMAP change is 0.58% less on a State fiscal year basis than the preliminary estimate that was released in March.

The FMAP decrease indicates that Iowa's economy is doing better compared to other states, resulting in a smaller share of the total FMAP portion for Iowa. This is the first time since FY 2016 that the FMAP rate has moved against the State's favor, meaning Iowa pays more. Prior to the 9.22% increase from FY 2017 to FY 2024, the rate declined 8.2% from FY 2010 to FY 2016.

**Fiscal Impact.** Although the final fiscal impact is still being calculated, the -0.41% change in the FMAP rate means that the State will be responsible for approximately \$26.6 million more in Medicaid expenditures in SFY 2025. This figure shows the five-year change in the FMAP rate.

### Five-Year State Regular Medicaid FMAP

State Fiscal Year	Federal Share	State Share	Federal % Change
FY 2021	61.61%	38.39%	0.73%
FY 2022	62.04%	37.96%	0.43%
FY 2023	62.88%	37.12%	0.84%
FY 2024	63.88%	36.12%	1.00%
FY 2025	63.47%	36.53%	-0.41%

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