
FISCAL UPDATE Article

Fiscal Services Division

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COVID-19 ECONOMIC STIMULUS PACKAGE — MEDICAID

COVID-19 Economic Stimulus Package. President Donald Trump signed into law a [COVID-19 economic stimulus package](#) on March 18, 2020. Included in the package were several provisions related to Medicaid, including prohibition of cost sharing on COVID-19 testing, an option to use Medicaid to provide testing for uninsured individuals at 100% Federal Medical Assistance Percentage (FMAP), and a 6.2% increase to the states' regular FMAP for each quarter in which the national emergency caused by COVID-19 remains in effect.

FMAP Provision. The Department of Human Services (DHS) is in the process of calculating the impact of the FMAP change, but the LSA estimates that the State will receive approximately \$62.0 million in additional federal funds for each quarter the national emergency remains in effect. To qualify for the enhanced match rate, the State is required to:

- Maintain eligibility standards, methodologies, and procedures that are no more restrictive than those in effect on January 1, 2020.
- Not increase premiums above those in effect on January 1, 2020.
- Maintain enrollment for individuals enrolled prior to the passage of the federal legislation and those enrolled after passage of the legislation through the end of the month in which the national emergency is in effect, unless the individual requests termination of eligibility or is no longer a resident of the State (i.e., all individuals remain enrolled in Medicaid during the national emergency).
- Cover COVID-19 testing and treatments without cost sharing.

The FMAP increase does not apply to any populations or programs that currently receive an enhanced FMAP rate. In Iowa, that includes the Children's Health Insurance Program (CHIP) and the Iowa Health and Wellness Plan (IHAWP).

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