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# FISCAL UPDATE Article

Fiscal Services Division

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## FY 2026 FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP) RATE

The Bureau of Economic Analysis [released](#) final State personal per capita income data for 2023 on September 27, 2024. This allows states to calculate the final federal fiscal year (FFY) 2026 FMAP rates. The FFY 2026 FMAP rates are based on per capita personal incomes for calendar years 2021 through 2023. 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) 2026. Iowa's SFY 2026 FMAP rate decreased by -0.63% to 62.84%. This means for every dollar spent on the Medicaid program, the federal government will pay \$0.6284 and Iowa will pay \$0.3716. The FMAP change is equal on a State fiscal year basis to the preliminary estimate that was released in March.

The FMAP decrease indicates that Iowa's economy is doing better since 2021 compared to other states, resulting in a smaller share of the total FMAP portion for Iowa. This is the second year in a row 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 -0.63% change in the FMAP rate means that the State will be responsible for approximately \$20.3 million more in Medicaid expenditures in SFY 2026. 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 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%
FY 2026	62.84%	37.16%	-0.63%

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