
FISCAL UPDATE Article

Fiscal Services Division

October 6, 2025



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

FY 2027 FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP) RATE

The Bureau of Economic Analysis released final [State personal per capita income data](#) for 2024 on September 26, 2025. This allows states to calculate the final federal fiscal year (FFY) 2027 Federal Medical Assistance Percentage (FMAP) rates. The FFY 2027 FMAP rates are based on per capita personal incomes for calendar years 2022 through 2024. 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) 2027. Iowa's SFY 2027 FMAP rate increased by 0.34% to 63.17%. This means for every dollar spent on the Medicaid program, the federal government will pay \$0.6317 and Iowa will pay \$0.3683. The FMAP change is 0.02% more on a State fiscal year basis than the preliminary estimate that was released in March.

The FMAP increase indicates that Iowa's economy is not doing as well since 2022 compared to other states. This increase follows two consecutive years where the FMAP rate moved against the State's favor. Prior to the 1.04% decrease from FY 2024 to FY 2026, the rate increased 9.22% from FY 2017 to FY 2024.

Fiscal Impact. Although the final fiscal impact is still being calculated, the 0.34% change in the FMAP rate means that the State will be responsible for an estimated \$17.6 million less in Medicaid expenditures in SFY 2027. 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 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%
FY 2027	63.17%	36.83%	0.34%

LSA Staff Contact: Louie Hoehle (515.281.6561) louie.hoehle@legis.iowa.gov

Doc ID 1543812