

FISCAL UPDATE News Article

Fiscal Services Division
March 30, 2017



FY 2019 FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP) MATCH RATE

FY 2019 FMAP. The Bureau of Economic Analysis released preliminary State personal per capita income data for 2016 on March 28, 2017. This allows states to calculate the preliminary FY 2019 FMAP rates. The FY 2019 FMAP rates are based on per capita personal incomes for calendar years 2014-2016. Iowa's FY 2019 FMAP rate increased by 1.05% to 59.10%. This means for every dollar spent on the Medicaid program, the federal government will pay \$0.5910 and Iowa pays \$0.4090.

The FMAP increase indicates that Iowa's economy is not doing as well compared to other states, resulting in a larger share of the total FMAP pie for Iowa. This is the third year in a row that the FMAP rate has moved back in the State's favor, meaning Iowa pays less. Prior to that, the rate declined 8.2% from FY 2010 to FY 2016.

Fiscal Impact. Although the final fiscal impact is still being calculated, the 1.05% change in the FMAP rate means that the State will be responsible for approximately \$40.0 million less in Medicaid expenditures in FY 2019. This chart shows a five-year change in the FMAP rate. Final FMAP rates will be available at the end of September.

Five-Year State Regular Medicaid FMAP			
State Fisal	Federal	State	Federal %
Year	Share	Share	Change
FY 2015	56.14%	43.86%	-2.21%
FY 2016	55.07%	44.93%	-1.07%
FY 2017	56.28%	43.72%	1.21%
FY 2018	58.05%	41.95%	1.77%
FY 2019	59.10%	40.90%	1.05%

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