FISCAL UPDATE Article

Fiscal Services Division

September 27, 2018

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FY 2020 FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP) MATCH RATE

The Bureau of Economic Analysis released final State personal per capita income data for 2016 on September 27, 2018. This allows states to calculate the final FY 2020 FMAP rates. The FY 2020 FMAP rates are based on per capita personal incomes for calendar years 2015 through 2017. 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) 2019. Iowa's FY 2019 FMAP rate increased by 1.31% to 60.88%. This means for every dollar spent on the Medicaid program, the federal government will pay $0.6088 and Iowa pays $0.3912. The FMAP change is 0.17% greater than the preliminary estimate that was released in March.

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 fourth 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 1.31% change in the FMAP rate means that the State will be responsible for approximately $53.0 million less in Medicaid expenditures in SFY 2019. This chart shows the five-year change in the FMAP rate.

Five-Year State Regular Medicaid FMAP Rate

Federal Fiscal Year	Federal Share	State Share	Federal % Change
2016	55.07%	44.93%	-1.07%
2017	56.28%	43.72%	1.21%
2018	58.05%	41.95%	1.77%
2019	59.57%	40.43%	1.52%
2020	60.88%	39.12%	1.31%

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