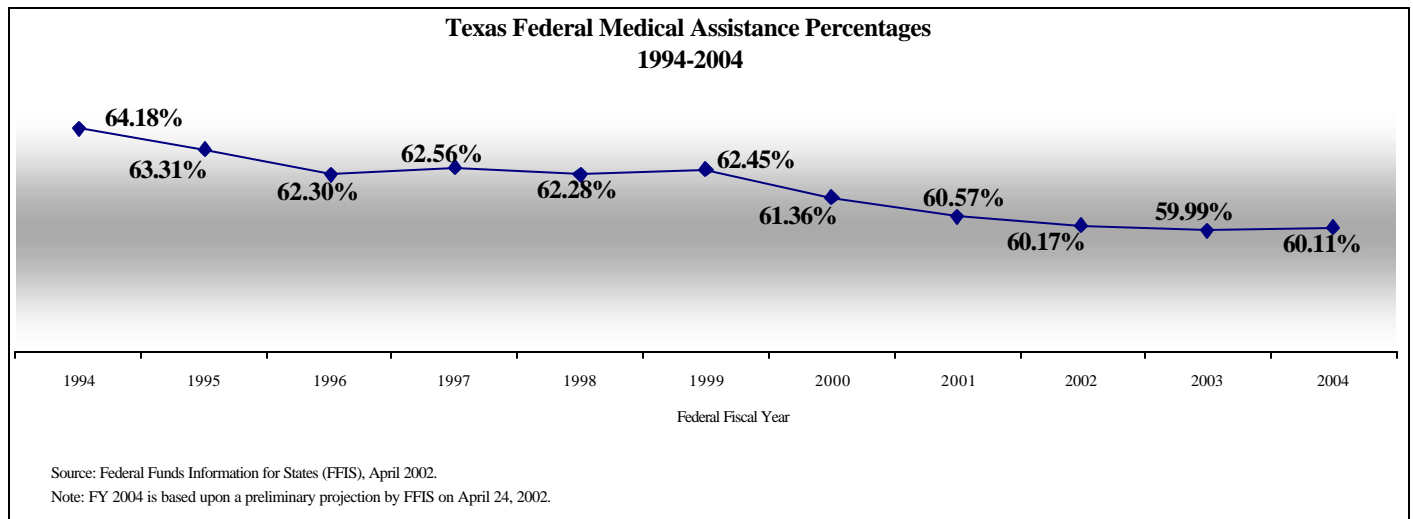




## FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP)

- **Federal Medical Assistance Percentage, or FMAP**, determines the state and federal share of funding for Medicaid, adoption assistance, foster care, and child care.
- Most states' FMAPs vary from year to year, based on a state's three-year average per capita income relative to the national per capita income. So as a state's relative per capita income improves, its federal match rate declines.
- A state's FMAP can be no lower than 50% and no greater than 83%.
- The Children's Health Insurance Program uses an Enhanced FMAP, calculated by lowering the state share of FMAP by 30% and increasing the federal share likewise.
- Texas has experienced an overall decline in FMAP over the last decade. The less favorable rate resulted in a \$206.1 million General Revenue Funds increase for Medicaid in the 2002-03 General Appropriations Act. *Federal Funds Information for States*, however, projects Texas' FMAP for FY 2004 to be 60.11% (an increase of 0.12% from FY 2003).



### Federal Proposals

- Senate Bill 2570 would **temporarily** increase the FMAP for the Medicaid program as follows:
  - Maintains FY 2001 FMAP for the last 2 calendar quarters of FY 2002;
  - Maintains FY 2002 FMAP for FY 2003; and
  - Adds another percentage point to the FMAP of the last 2 calendar quarters of FY 2002 and the entire FY 2003.
  - To qualify, a state's Medicaid eligibility must be no more restrictive than its Medicaid eligibility as of January 1, 2002.
  - Increases the Social Services Block Grant (Title XX). Texas would receive an additional \$232.5 million, which is available 30 days after passage until June 30, 2004.