



## **DEPARTMENT OF HEALTH AND HUMAN SERVICES**

### **Federal Financial Participation in State Assistance Expenditures; Federal Matching Shares for Medicaid, the Children's Health Insurance Program, and Aid to Needy Aged, Blind, or Disabled Persons for October 1, 2019 through September 30, 2020**

AGENCY: Office of the Secretary, DHHS.

ACTION: Notice.

DATES: The percentages listed in Table 1 will be effective for each of the four quarter-year periods beginning October 1, 2019 and ending September 30, 2020.

FOR FURTHER INFORMATION CONTACT: Rose Chu, Office of Health Policy, Office of the Assistant Secretary for Planning and Evaluation, Room 447D - Hubert H. Humphrey Building, 200 Independence Avenue, S.W., Washington, D.C. 20201, (202) 690-6870.

SUPPLEMENTARY INFORMATION: The Federal Medical Assistance Percentages (FMAP), Enhanced Federal Medical Assistance Percentages (eFMAP), and disaster-recovery FMAP adjustments for Fiscal Year 2020 have been calculated pursuant to the Social Security Act (the Act). These percentages will be effective from October 1, 2019 through September 30, 2020. This notice announces the calculated FMAP rates, in accordance with sections 1101(a)(8) and 1905(b) of the Act, that the U.S. Department of Health and Human Services (HHS) will use in determining the amount of federal matching for state medical assistance (Medicaid), Temporary Assistance for Needy Families (TANF) Contingency Funds, Child Support Enforcement collections, Child Care Mandatory and Matching Funds of the Child Care and Development Fund, Title IV-E Foster Care Maintenance payments, Adoption Assistance payments and

Kinship Guardianship Assistance payments, and the eFMAP rates for the Children's Health Insurance Program (CHIP) expenditures. Table 1 gives figures for each of the 50 states, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands. This notice reminds states of adjustments available for states meeting requirements for disproportionate employer pension or insurance fund contributions and adjustments for disaster recovery. At this time, no state qualifies for such adjustments, and territories are not eligible.

This notice also contains the increased eFMAPs for CHIP as authorized under section 2705(b) of the Act, as amended by the HEALTHY KIDS Act of 2017, for fiscal year 2020 (October 1, 2019 through September 30, 2020).

Programs under title XIX of the Act exist in each jurisdiction. Programs under titles I, X, and XIV operate only in Guam and the Virgin Islands. The percentages in this notice apply to state expenditures for most medical assistance and child health assistance, and assistance payments for certain social services. The Act provides separately for federal matching of administrative costs. Sections 1905(b) and 1101(a)(8)(B) of the Social Security Act (the Act) require the Secretary of HHS to publish the FMAP rates each year. The Secretary calculates the percentages, using formulas in sections 1905(b) and 1101(a)(8), and calculations by the Department of Commerce of average income per person in each state and for the United States (meaning, for this purpose, the fifty states and the District of Columbia). The percentages must fall within the upper and lower limits specified in section 1905(b) of the Act. The percentages for the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana

Islands are specified in statute, and thus are not based on the statutory formula that determines the percentages for the 50 states.

#### Federal Medical Assistance Percentage (FMAP)

Section 1905(b) of the Act specifies the formula for calculating FMAPs as follows:

“Federal medical assistance percentage” for any state shall be 100 per centum less the state percentage; and the state percentage shall be that percentage which bears the same ratio to 45 per centum as the square of the per capita income of such state bears to the square of the per capita income of the continental United States (including Alaska) and Hawaii; except that (1) the Federal medical assistance percentage shall in no case be less than 50 per centum or more than 83 per centum . . . .

Section 1905(b) further specifies that the FMAP for Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa shall be 55 percent. Section 4725(b) of the Balanced Budget Act of 1997 amended section 1905(b) to provide that the FMAP for the District of Columbia, for purposes of titles XIX and XXI, shall be 70 percent. For the District of Columbia, we note under Table 1 that other rates may apply in certain other programs. In addition, we note the rate that applies for Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands in certain other programs pursuant to section 1118 of the Act. The rates for the States, District of Columbia and the territories are displayed in Table 1, Column 1. Section 1905(y) of the Act, as added by section 2001 of the Patient Protection and Affordable Care Act of 2010 (“Affordable Care Act”), provides for a significant increase in the FMAP for medical assistance expenditures for newly eligible individuals described in section

1902(a)(10)(A)(i)(VIII) of the Act, as added by the Affordable Care Act (the new adult group); “newly eligible” is defined in section 1905(y)(2)(A) of the Act. The FMAP for the new adult group is 100 percent for Calendar Years 2014, 2015, and 2016, gradually declining to 90 percent in 2020, where it remains indefinitely. In addition, section 1905(z) of the Act, as added by section 10201 of the Affordable Care Act, provides that states that offered substantial health coverage to certain low-income parents and nonpregnant, childless adults on the date of enactment of the Affordable Care Act, referred to as “expansion states,” shall receive an enhanced FMAP beginning in 2014 for medical assistance expenditures for nonpregnant childless adults who may be required to enroll in benchmark coverage under section 1937 of the Act. These provisions are discussed in more detail in the Medicaid Program: Eligibility Changes Under the Affordable Care Act of 2010 proposed rule published on August 17, 2011 (**76 FR 51148, 51172**) and the final rule published on March 23, 2012 (**77 FR 17144, 17194**). This notice is not intended to set forth the matching rates for the new adult group as specified in section 1905(y) of the Act or the matching rates for nonpregnant, childless adults in expansion states as specified in section 1905(z) of the Act.

#### Other Adjustments to the FMAP

For purposes of Title XIX (Medicaid) of the Social Security Act, the Federal Medical Assistance Percentage (FMAP), defined in section 1905(b) of the Social Security Act, for each state beginning with fiscal year 2006, can be subject to an adjustment pursuant to section 614 of the Children’s Health Insurance Program Reauthorization Act of 2009 (CHIPRA), Public Law 111-3. Section 614 of CHIPRA stipulates that a state’s FMAP under Title XIX (Medicaid) must be adjusted in two situations.

In the first situation, if a state experiences no growth or positive growth in total personal income and an employer in that state has made a significantly disproportionate contribution to an employer pension or insurance fund, the state's FMAP must be adjusted. The adjustment involves disregarding the significantly disproportionate employer pension or insurance fund contribution in computing the per capita income for the state (but not in computing the per capita income for the United States). Employer pension and insurance fund contributions are significantly disproportionate if the increase in contributions exceeds 25 percent of the total increase in personal income in that state. A Federal Register Notice with comment period was published on June 7, 2010 (**75 FR 32182**) announcing the methodology for calculating this adjustment; a final notice was published on October 15, 2010 (**75 FR 63480**).

The second situation arises if a state experiences negative growth in total personal income. Beginning with Fiscal Year 2006, section 614(b)(3) of CHIPRA specifies that, for the purposes of calculating the FMAP for a calendar year in which a state's total personal income has declined, the portion of an employer pension or insurance fund contribution that exceeds 125 percent of the amount of such contribution in the previous calendar year shall be disregarded in computing the per capita income for the state (but not in computing the per capita income for the United States).

No Federal source of reliable and timely data on pension and insurance contributions by individual employers and states is currently available. We request that states report employer pension or insurance fund contributions to help determine potential FMAP adjustments for states experiencing significantly disproportionate pension or insurance contributions and states experiencing a negative growth in total personal income. See also the information described in

the January 21, 2014 Federal Register notice (**79 FR 3385**).

Section 2006 of the Affordable Care Act provides a special adjustment to the FMAP for certain states recovering from a major disaster. This notice does not contain an FY 2020 adjustment for a major statewide disaster for any state (territories are not eligible for FMAP adjustments) because no state had a recent major statewide disaster and had its FMAP decreased by at least three percentage points from FY 2019 to FY 2020. See information described in the December 22, 2010 Federal Register notice (**75 FR 80501**).

Enhanced Federal Medical Assistance Percentage (eFMAP) for CHIP

Section 2105(b) of the Act specifies the formula for calculating the eFMAP rates as follows:

[T]he “enhanced FMAP”, for a state for a fiscal year, is equal to the Federal medical assistance percentage (as defined in the first sentence of section 1905(b)) for the state increased by a number of percentage points equal to 30 percent of the number of percentage points by which (1) such Federal medical assistance percentage for the state, is less than (2) 100 percent; but in no case shall the enhanced FMAP for a state exceed 85 percent.

Section 2105(b) of the Social Security Act, as amended by Section 2101 of the Affordable Care Act, specifies a modified eFMAP for FY2016 – FY2019, providing that the FMAP under section 1905(b) for the state for the fiscal year shall be increased by 23 percentage points, but in no case shall exceed 100 percent. Section 3005 of the HEALTHY KIDS Act further amended Section 2105(b) to specify a modified eFMAP for FY2020, providing that the FMAP under section 1905(b) for the state for the fiscal year shall be increased by 11.5 percentage points, with the sum

not to exceed 100 percent, during the period that begins on October 1, 2019, and ends on September 30, 2020.

The eFMAP rates are used in the Children's Health Insurance Program under Title XXI, and in the Medicaid program for expenditures for medical assistance provided to certain children as described in sections 1905(u)(2) and 1905(u)(3) of the Act. There is no specific requirement to publish the eFMAP rates. We include them in this notice for the convenience of the states, and display both the eFMAP rates that would apply if section 2105(b) had not been amended by the HEALTHY KIDS Act (Table 1, Column 2) and the increased eFMAP rates as calculated pursuant to the amendments made by the HEALTHY KIDS Act (Table 1, Column 3), for comparison.

(Catalog of Federal Domestic Assistance Program Nos. 93.558: TANF Contingency Funds; 93.563: Child Support Enforcement; 93.596: Child Care Mandatory and Matching Funds of the Child Care and Development Fund; 93.658: Foster Care Title IV-E; 93.659: Adoption Assistance; 93.769: Ticket-to-Work and Work Incentives Improvement Act (TWWIA) Demonstrations to Maintain Independence and Employment; 93.778: Medical Assistance Program; 93.767: Children's Health Insurance Program)

**Alex M. Azar II,**  
Secretary,  
Department of Health and Human Services.

Table 1 – Federal Medical Assistance Percentages and  
Enhanced Federal Medical Assistance Percentages,  
Effective October 1, 2019 – September 30, 2020  
(Fiscal Year 2020)

State	Federal Medical Assistance Percentages	Enhanced Federal Medical Assistance Percentages	Enhanced Federal Medical Assistance Percentages with 11.5 Pt Inc***
Alabama	71.97	80.38	91.88
Alaska	50.00	65.00	76.50
American Samoa*	55.00	68.50	80.00
Arizona	70.02	79.01	90.51
Arkansas	71.42	79.99	91.49
California	50.00	65.00	76.50
Colorado	50.00	65.00	76.50
Connecticut	50.00	65.00	76.50
Delaware	57.86	70.50	82.00
District of Columbia**	70.00	79.00	90.50
Florida	61.47	73.03	84.53
Georgia	67.30	77.11	88.61
Guam*	55.00	68.50	80.00
Hawaii	53.47	67.43	78.93
Idaho	70.34	79.24	90.74
Illinois	50.14	65.10	76.60
Indiana	65.84	76.09	87.59
Iowa	61.20	72.84	84.34
Kansas	59.16	71.41	82.91
Kentucky	71.82	80.27	91.77
Louisiana	66.86	76.80	88.30
Maine	63.80	74.66	86.16
Maryland	50.00	65.00	76.50
Massachusetts	50.00	65.00	76.50
Michigan	64.06	74.84	86.34
Minnesota	50.00	65.00	76.50
Mississippi	76.98	83.89	95.39
Missouri	65.65	75.96	87.46
Montana	64.78	75.35	86.85
Nebraska	54.72	68.30	79.80
Nevada	63.93	74.75	86.25
New Hampshire	50.00	65.00	76.50
New Jersey	50.00	65.00	76.50
New Mexico	72.71	80.90	92.40
New York	50.00	65.00	76.50
North Carolina	67.03	76.92	88.42

North Dakota	50.05	65.04	76.54
Northern Mariana Islands*	55.00	68.50	80.00
Ohio	63.02	74.11	85.61
Oklahoma	66.02	76.21	87.71
Oregon	61.23	72.86	84.36
Pennsylvania	52.25	66.58	78.08
Puerto Rico*	55.00	68.50	80.00
Rhode Island	52.95	67.07	78.57
South Carolina	70.70	79.49	90.99
South Dakota	57.62	70.33	81.83
Tennessee	65.21	75.65	87.15
Texas	60.89	72.62	84.12
Utah	68.19	77.73	89.23
Vermont	53.86	67.70	79.20
Virgin Islands*	55.00	68.50	80.00
Virginia	50.00	65.00	76.50
Washington	50.00	65.00	76.50
West Virginia	74.94	82.46	93.96
Wisconsin	59.36	71.55	83.05
Wyoming	50.00	65.00	76.50

\* For purposes of section 1118 of the Social Security Act, the percentage used under titles I, X, XIV, and XVI will be 75 per centum.

\*\* The values for the District of Columbia in the table were set for the state plan under titles XIX and XXI and for capitation payments and disproportionate share hospital (DSH) allotments under those titles. For other purposes, the percentage for D.C. is 50.00, unless otherwise specified by law.

\*\*\* Section 3005 of the HEALTHY KIDS Act amended Section 2105(b) of the Social Security Act specifying that the enhanced FMAP for states will be calculated by adding 11.5 percentage points to the state's FMAP as provided under section 1905(b) of the Social Security Act, with the sum not to exceed 100 percent, for the period that begins on October 1, 2019 and ends on September 30, 2020 (fiscal year 2020).

[FR Doc. 2018-25944 Filed: 11/27/2018 8:45 am; Publication Date: 11/28/2018]