



FMAP Overview

Federal Medical Assistance Percentage

Most Medicaid expenditures are jointly funded by states and the federal government. The federal medical assistance percentage (FMAP) is calculated by the federal government and used to determine federal reimbursement to states for eligible Medicaid expenditures. FMAP rates are limited in federal statute to between 50% and 83% federal share. The Affordable Care Act (ACA) significantly impacts FMAPs for Medicaid expansion populations. Most eligible benefits for Montana’s Medicaid expansion enrollees are 90% federal share/10% state share. An enhanced federal FMAP (E-FMAP – about 11 percentage points higher than standard) is provided for the State Children’s Health Insurance Program (CHIP). Standard Medicaid administration is 50% federal share. The table below shows Montana’s FMAP and E-FMAP for FY 2022-2025.

Montana FMAPs / E-FMAPs, 2022-2025				
	2022	2023	2024	2025*
FFY FMAP	64.9	64.12	63.91	62.37
SFY FMAP**	65.075	64.315	63.963	62.755
FFY E-FMAP	75.43	74.88	74.74	73.66
FFY Med. Expansion FMAP	90	90	90	90
*2025 figures are projections based on 2024 **SFY FMAPs account for the difference between SFY and FFY				

FMAP Calculation

The FMAP calculation compares the per capita income (PCI) for each state to the U.S. PCI, while factoring in the statutory limitations mentioned above. The formula is designed to ensure that a state with a PCI equal to the U.S. PCI receives an FMAP of 55%, or a federal share of 55% and a state share of 45%. The U.S. Dept. of Health and Human Services publishes FMAPs for the upcoming federal fiscal year in November. Over the past decade or so Montana’s FMAPs have been declining as state per capita incomes have increased relative to national per capita incomes.

Exceptions to the Standard FMAP

There are several types of cases in which an alternative to the standard FMAP may apply. For example, the Montana Medicaid expansion population is eligible for an enhanced federal match. These exceptions to the standard FMAP include:

- Special Situations – FMAPs were increased from 2009-2011 as part of the American Recovery and Reinvestment Act. FMAPs may be increased as a response to natural disasters.

- Certain Populations – Medicaid expansion enrollees are eligible for an enhanced FMAP. Women with breast or cervical cancer who are not otherwise eligible for Medicaid and are uninsured have their expenditures reimbursed at the E-FMAP (CHIP) rate.
- Certain Providers – Indian Health Service Facilities receive 100% federal reimbursement for Medicaid services.
- Certain Services – Some preventative services and immunizations receive a one percentage point increase in FMAP, as does smoking cessation for pregnant women. Family planning receives a 90% federal match. Health Homes for chronic conditions receive a 90% federal match. Community First Choice services receive a six-percentage point increase.
- Administrative Activities – Some administrative activities receive an enhanced federal match. Medicaid claims and eligibility systems are matched at 90% for development and 75% for operation.

Once the standard state fiscal year FMAP is calculated it can be used to determine federal/state fund splits for various categories of Medicaid expenditures.

