



# DENNIS BONNEN



SPEAKER OF THE HOUSE

## COVID-19 ADVISORY

### March 26, 2020 | RE: GUIDANCE ON COVID-19 FMAP INCREASE

On March 18th, the President signed into law the Families First Coronavirus Response Act (FFCRA) to help states address higher healthcare costs and the increased caseload expected as a result of COVID-19.

The FFCRA provides a temporary 6.2 percentage point increase to the state's Federal Medical Assistance Percentage (FMAP), the share of states' Medicaid benefit costs paid by the federal government, in order to provide financial relief. While we are wholly unable to predict the full and long-term impacts of this pandemic on our state budget, this FMAP increase will go a long way to help cover healthcare costs associated with COVID-19 without having to divert significant portions of GR funds from other parts of the budget to do so.

This temporary FMAP increase applies retroactively for a term beginning January 1st, 2020 and lasting through the last day of the calendar quarter in which the HHS Secretary declares the emergency to be over. Funds for the first quarter were made available to the state earlier this week. As a result of the 6.2 percentage point increase to the state's regular FMAP, the federal share is brought to 67.09%.

The eFMAP rates -- used in the CHIP and Medicaid program for medical expenditures provided for certain children -- will be recalculated based on the increase, and the enhanced match will apply to both Medicaid and CHIP. The guidance does not address Title IV-E (DFPS) programs.

Assuming the increased FMAP will be in place for a minimum of two quarters in FY 2020 (January to June), a preliminary estimate by the Legislative Budget Board of the estimated savings to General Revenue for two quarters including Medicaid and CHIP is \$999.4 million. Each additional quarter the FMAP increase is in effect is estimated to result in additional savings to GR of approximately \$0.5 billion.

Federal Funds Information for States (FFIS) has issued an updated overview on the COVID-19 FMAP increase for all states, available here: <https://www.ffis.org/PUBS/issue-brief/20/07>

The Centers for Medicare & Medicaid Services has also published guidance and a list of FAQs, available here: <https://www.medicaid.gov/state-resource-center/downloads/covid-19-section-6008-faqs.pdf>