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Medicaid: The Federal Medical Assistance Percentage (FMAP)

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Medicaid: The Federal Medical Assistance Percentage (FMAP)

Summary

Medicaid is a health insurance program jointly funded by the federal government and the states. Generally, eligibility for Medicaid is limited to low-income children, pregnant women, parents of dependent children, the elderly, and people with disabilities. The federal government's share of a state's expenditures for Medicaid services is called the federal medical assistance percentage (FMAP). Determined annually, the FMAP is designed so that the federal government pays a larger portion of Medicaid costs in states with lower per capita income relative to the national average (and vice versa for states with higher per capita incomes). For FY2005, FMAPs range from 50% to 77%; that is, the federal government's share of Medicaid costs for FY2005 ranges from 50% to 77% depending on the state. For FY2006, the FMAPs range from 50% to 76%.

In recent years, the fiscal situation of the states has focused attention on Medicaid expenditures as well as changes in the federal share or FMAP. P.L. 108-27 provided temporary fiscal relief to the states by raising the FMAPs for the last two quarters of FY2003 and first three quarters of FY2004 through an increase in FMAPs of 2.95 points. This temporary FMAP increase expired in the last quarter of FY2004, which coincided for most states with the beginning of state fiscal year (SFY) 2005. FMAPs for FY2006 have declined for a number of states because of increases in their per capita personal income relative to the U.S. average per capita personal income for the 2001 through 2003 period, and revisions to the basic data sources used to calculate personal income and population for these years.

In the 109th Congress, four bills (H.R. 57, H.R. 2258, S. 68, and S. 1007) have been introduced that would alter certain FMAPs or limit the decline in state FMAPs between FY2005 and FY2006. This report will be updated as legislative activities warrant.

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Introduction

Medicaid is a health insurance program jointly funded by the federal government and the states. Although states have considerable flexibility to design and administer their Medicaid programs, certain groups of individuals must be covered for certain categories of services. Generally, eligibility is limited to low-income children, pregnant women, parents of dependent children, the elderly, and people with disabilities. The federal government's share of Medicaid costs for services is determined by a formula established in statute; states must contribute the remaining portion of costs in order to qualify for federal funds.

The Federal Medical Assistance Percentage

The federal government's share of Medicaid costs for services, called the Federal Medical Assistance Percentage (FMAP), varies by state and is determined by a formula set in statute. For administrative costs, the federal share does not vary by state and is generally 50%.[1]

How the FMAPs are Calculated. The FMAP formula compares each state's per capita personal income relative to the U.S. per capita personal income. The FMAP uses each state's per capita personal income as a measure of the state's ability to pay for Medicaid (a proxy for the state's economic well being), and compares each state to the U.S. average. The formula for the FMAP for state D is:

$$FMAP_D = 1 - (((\text{per Capita Income}_D)^2/(\text{per Capita Income}_{US})^2) \times .45)$$

The use of the .45 factor in the formula is designed to ensure that a state with a per capita personal income equal to the U.S. per capita personal income receives an FMAP of 55%. States with per capita personal incomes higher than the U.S. average will receive lower FMAPs (there is a statutory minimum of 50%), and states with per capita personal incomes lower than the U.S. will receive higher FMAPs (there is a statutory maximum of 83%).

In each year, the state FMAP calculations rely on the most recently available three years of per capita personal income estimates. So for example, the Secretary of Health and Human Services (HHS) calculation of FY2004 FMAPs used per capita personal income data for 1999, 2000, and 2001 that were available in October 2002.

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[1] For additional information on Medicaid administrative costs, see CRS Report RS22101, *State Medicaid Program Administration: A Brief Overview*, by April Grady.

The calculations of FY2005 FMAPs used per capita personal income data for 2000, 2001, and 2002 that were available in October 2003. The HHS calculation of the FY2006 FMAPs used per capita personal income data for 2001, 2002, and 2003 that were available in October 2004. The methodology used by HHS to calculate the FMAPs does not vary as the requirements are set in statute.

HHS must calculate the state FMAPs and publish them in the *Federal Register* each year. These state FMAPs are in effect for the one-year period beginning the following October (the beginning of the federal fiscal year). Thus, the state FMAPs for FY2005 (the federal fiscal year which began on October 1, 2004) were calculated and published in 2003,[2] and the FMAPs for 2006 were calculated and published in 2004.[3]

There are exceptions to the FMAP formula. By law, the District of Columbia has an FMAP of 70%, and Puerto Rico and the territories (American Samoa, Northern Marianas, Guam, and the Virgin Islands) have an FMAP of 50%. For the period FY2001-FY2005, Alaska used a special FMAP formula in which the per capita personal income was deflated by 1.05 (this would increase the calculated FMAP). P.L. 108-27 provided a temporary increase (of 2.95 points) in state FMAPs for the last two quarters of FY2003 and the first three quarters of FY2004. **Table 1** provides the FMAP for each state, the District of Columbia, and the territories for FY2003-FY2006, including the temporarily enhanced FMAPs for FY2003 and FY2004 due to P.L. 108-027.

Data Used to Calculate State FMAPs. Integral to the calculation of the state FMAPs is the basic data used to estimate per capita personal income — state population and state personal income. Population estimates are done by the U.S. Department of the Census for the United States and the states as of July 1 each year.[4] The methodology used is to update the state population estimates for the most recent years (or, if applicable, the decennial census) to account for births, deaths, and migration based on several administrative data sources. The data are subject to revision each year as additional or revised data become available.[5]

The Department of Commerce, Bureau of Economic Analysis (BEA) estimates per capita personal income for the states each year, with preliminary estimates released in April, and revised estimates released in October. These estimates include annual revisions for prior years as well and new income data. The calculation is based on the latest Census Bureau estimates of population as of July 1 each year, and on the definition of personal income in the National Income and Product Accounts (NIPA).

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[2] See *Federal Register*, Dec. 3, 2003, vol. 68, no. 232, pp. 67676-67678.

[3] See *Federal Register*, Nov. 24, 2004, vol. 69, no. 226, pp. 68370-68373.

[4] The exception is for a year in which there is a decennial census, when the population estimate is as of Apr. 1.

[5] For example the Census estimates of population as of July 1, 2003 which were released in Dec. 2003 differ from the estimates of population as of July 1, 2003 which were released in Dec. 2004.

The current NIPA definition of personal income is:

Personal Income =
Wages and Salaries
plus
Supplements to Wages and Salaries (employer contributions to employee pension and insurance funds)
plus
Proprietors Income (after adjustments for capital consumption and inventory valuation)
plus
Rental Income (after adjustment for capital consumption)
plus
Personal Dividend and Interest Income
plus
Personal Current Transfers (includes government payments)

Personal income for each state is based on income earned by state residents only. As a result, the calculation involves an adjustment for income earned by nonresidents.[6] The NIPA definition of personal income differs from the definition of income used for personal income tax purposes in several ways. One of the main differences between the two is that NIPA personal income does not include capital gains (or losses), but does include transfer payments.[7] Income for tax purposes includes capital gains (or losses), but does not include most of these transfer payments.

The NIPA undergoes comprehensive revisions every four to five years, with the results of recent revisions released in 1999 and 2003. The 2003 revisions were first used in the 2004 calculations of personal income. As a result, the October 2004 state and U.S. per capita personal income estimates used to calculate FY2006 state FMAPs in November 2004 reflected: (1) annual updates and revisions by BEA for additional or revised data from base sources (Bureau of Labor Statistics, Department of Agriculture, Internal Revenue Service, etc.); (2) the comprehensive NIPA revision that changed how personal income is defined by BEA; and (3) annual updates and revisions to the Census Bureau population estimates.

However, as explained earlier, both population and personal income data undergo annual revisions. As a result, it is often the case that the value of per capita personal income for a given year may change over time. For example, the 2001 per capita personal income data available in October 2003 (used to calculate FY2005 FMAPs) differed from the 2001 per capita personal income data available in October 2004 (used to calculate FY2006 FMAPs).

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[6] The adjustment for non-residents is to subtract income earned in the state but counted as income in another state (where the individual earning the income lives).

[7] Transfer payments include government transfers for retirement and disability insurance benefits (Social Security), veterans benefits, and medical benefits (Medicare and Medicaid).

Table 1. Federal Medical Assistance Percentage (FMAP) for FY2003-FY2006, by State

State	FY2003 first 2 quarters	FY2003 last 2 quarters (P.L. 108-027)	FY2004 first 3 quarters (P.L. 108-027)	FY2004 last quarter	FY2005	FY2006
Alabama	70.60	73.55	73.70	70.75	70.83	69.51
Alaska	58.27	61.22	61.34	58.39	57.58	50.16[a]
Arizona	67.25	70.20	70.21	67.26	67.45	66.98
Arkansas	74.28	77.23	77.62	74.67	74.75	73.77
California	50.00	54.35	52.95	50.00	50.00	50.00
Colorado	50.00	52.95	52.95	50.00	50.00	50.00
Connecticut	50.00	52.95	52.95	50.00	50.00	50.00
Delaware	50.00	52.95	52.95	50.00	50.38	50.09
District of Columbia	70.00	72.95	72.95	70.00	70.00	70.00
Florida	58.83	61.78	61.88	58.93	58.90	58.89
Georgia	59.60	62.55	62.55	59.58	60.44	60.60
Hawaii	58.77	61.72	61.85	58.90	58.47	58.81
Idaho	70.96	73.97	73.91	70.46	70.62	69.91
Illinois	50.00	52.95	52.95	50.00	50.00	50.00
Indiana	61.97	64.99	65.27	62.32	62.78	62.98
Iowa	63.50	66.45	66.88	63.93	63.55	63.61
Kansas	60.15	63.15	63.77	60.82	61.01	60.41
Kentucky	69.89	72.89	73.04	70.09	69.60	69.26
Louisiana	71.28	74.23	74.58	71.63	71.04	69.79
Maine	66.22	69.53	69.17	66.01	64.89	62.90
Maryland	50.00	52.95	52.95	50.00	50.00	50.00
Massachusetts	50.00	52.95	52.95	50.00	50.00	50.00
Michigan	55.42	59.31	58.84	55.89	56.71	56.59
Minnesota	50.00	52.95	52.95	50.00	50.00	50.00
Mississippi	76.62	79.57	80.03	77.08	77.08	76.00
Missouri	61.23	64.18	64.42	61.47	61.15	61.93
Montana	72.96	75.91	75.91	72.85	71.90	70.54
Nebraska	59.52	62.50	62.84	59.89	59.64	59.68
Nevada	52.39	55.34	57.88	54.93	55.90	54.76
New Hampshire	50.00	52.95	52.95	50.00	50.00	50.00
New Jersey	50.00	52.95	52.95	50.00	50.00	50.00
New Mexico	74.56	77.51	77.80	74.85	74.30	71.15
New York	50.00	52.95	52.95	50.00	50.00	50.00
North Carolina	62.56	65.51	65.80	62.85	63.63	63.49
North Dakota	68.36	72.82	71.31	68.31	67.49	65.85
Ohio	58.83	61.78	62.18	59.23	59.68	59.88
Oklahoma	70.56	73.51	73.51	70.24	70.18	67.91
Oregon	60.16	63.11	63.76	60.81	61.12	61.57
Pennsylvania	54.69	57.64	57.71	54.76	53.84	55.05
Rhode Island	55.40	58.35	58.98	56.03	55.38	54.45

State	FY2003 first 2 quarters	FY2003 last 2 quarters (P.L. 108-027)	FY2004 first 3 quarters (P.L. 108-027)	FY2004 last quarter	FY2005	FY2006
South Carolina	69.81	72.76	72.81	69.86	69.89	69.32
South Dakota	65.29	68.88	68.62	65.67	66.03	65.07
Tennessee	64.59	67.54	67.54	64.40	64.81	63.99
Texas	59.99	63.12	63.17	60.22	60.87	60.66
Utah	71.24	74.19	74.67	71.72	72.14	70.76
Vermont	62.41	66.01	65.36	61.34	60.11	58.49
Virginia	50.53	54.40	53.48	50.00	50.00	50.00
Washington	50.00	53.32	52.95	50.00	50.00	50.00
West Virginia	75.04	78.22	78.14	75.19	74.65	72.99
Wisconsin	58.43	61.52	61.38	58.41	58.32	57.65
Wyoming	61.32	64.92	64.27	59.77	57.90	54.23
America Samoa	50.00	52.95	52.95	50.00	50.00	50.00
Guam	50.00	52.95	52.95	50.00	50.00	50.00
N. Mariana Islands	50.00	52.95	52.95	50.00	50.00	50.00
Puerto Rico	50.00	52.95	52.95	50.00	50.00	50.00
Virgin Islands	50.00	52.95	52.95	50.00	50.00	50.00

Source: Table prepared by the Congressional Research Service (CRS).

Note: P.L. 108-027 temporarily increased state FMAP.

a. Beginning in FY2006, Alaska uses the same formula as other states. Previously, for the years shown in the table, Alaska's FMAP was calculated using an alternative formula.

Factors That Influence State FMAPs. Several factors that influence the level of state FMAPs. The first is the nature of the state economy and its ability to respond to economic changes (i.e., downturns or upturns). The impact of a national economic downturn or upturn will be related to the structure of the state economy and the business sectors causing the upturn or downturn. For example, a national decline in automobile sales, while having an impact on automobile sales and all state economies, will have a larger impact in states that manufacture automobiles as manufacturers reduce production and automobile workers are laid off.

Second, the FMAP formula relies on per capita personal income to reflect state economies and their response to economic changes *in relation to the U.S. average per capita personal income*. The national economy is basically the sum of all state economies. As a result, the national response to an economic change is the sum of the state responses to economic change. If more states (or larger states) experience an economic decline, the national economy reflects this decline to some extent. However, the national decline will be lower than the state declines because the total decline has been offset by states with an increase (i.e., states with a growing economy). The U.S. per capita personal income, because of this balancing of positive and negative, has only a small percentage change each year. The FMAP formula compares state changes in per capita personal income (which can have large changes each year) to the U.S. per capita personal income (which has very small

changes each year). This comparison can result in significant changes in state FMAPs each year.

In addition to annual revisions in estimated per capita personal income, every four to five years, the comprehensive NIPA revisions also influence the state FMAPs (for example, because of changes in the definition of personal income). The impact on state FMAPs will depend on whether the changes are broad impacting all states, or more selective impacting only certain states or industries.

In addition to these factors, there are legislative changes to the FMAPs. As noted earlier, both Alaska and the District of Columbia have had statutory changes made to their FMAPs. Recently, P.L. 108-27 provided for part of FY2003 and part of FY2004, a temporary increase in all state FMAPs of 2.95 points, and statutorily exempted state FMAPs from declines that would have otherwise occurred under the FMAP formula.

The Change in FMAPs Between FY2005 and FY2006

In most years, the FMAP will differ from the previous year FMAP for two reasons: annual revisions to estimated per capita personal income (reflecting revisions to estimated personal income and estimated population); and replacing the oldest year of data for estimated per capita personal income with the most recent year of data. For the FY2006 FMAPs, there were three reasons for the change from FY2005: (1) comprehensive NIPA revisions; (2) revisions to estimated per capita income (for years 2001 and 2002 which are in common for the calculations of FY2005 and FY2006); and (3) replacing the oldest year of data (2000) for estimated per capita personal income with the latest year (2003).

Some states have found that their FMAP changes between FY2005 and FY2006 are larger than expected. As a result, questions have been raised about the cause(s) of the changes, and if the changes are unusual. An analysis of the change in state FMAPs over the years, shows that the range of FMAP changes between FY2005 and FY2006 is not unusual. **Figure 1** (at the end of this report) contains a graphic representation of the annual change in FMAPs since 1990. **Figure 1** shows the largest positive and negative changes and the average change in state FMAPs each year. While the range of change in FMAPs was not unusually large, the average change between FY2005 and FY2006 (-0.55) was the first time the average change in state FMAPs was greater than plus or minus one-half a point. Over the period, the average change in state FMAPs was positive half of the time and negative half of the time. Also over the 16-year period the annual change in state FMAPs had more states with increases for eight years, and more states with decreases for eight years. The pattern varies by state, with some states having a negative annual change between years for all years, with other states having a positive annual change for most years.

In the years impacted by the most recent comprehensive NIPA revisions (1999 and 2003), the state FMAPs for the first years using the revised data (FY2002 and FY2006) show a larger range of changes when compared to other years. For example, the range of state FMAP changes between FY2000 and FY2001 was 2.84 to -1.13, with an average change of 0.12. The range of state FMAP changes between

FY2001 and FY2002 (the first year calculated after the 1999 comprehensive NIPA revision) show a range of changes of 2.49 to -2.63, with an average change of -0.26. This indicates that the comprehensive NIPA revisions of recent years may have had an impact on the FMAP calculations. But, the range in the FMAP change associated with this latest comprehensive NIPA revision (2003) is not substantially different from that of earlier NIPA revisions.

Another way to look at the change in state FMAPs is the change in the median FMAP over the 16-year period. The median FMAP is the FMAP at which half the states will have higher FMAPs and half the states will have lower FMAPs. As shown in **Figure 2**, (also at the end of this report) over the FY1990-FY2006 period the median state FMAP has declined only slightly (less than 1 point), and the change between FY2005 and FY2006 was very small (two-tenths of a point). In **Figure 2**, the solid line is the median state FMAP for each year, and the dotted line represents the median FMAP for FY2003 and FY2004 with the temporary FMAP increases of P.L. 108-027. The decline in the median state FMAP is not because over time more states are subject to the statutory minimum of 50% (in FY1990 there were two more states at the statutory minimum than in FY2006). Instead, the decline in the median state FMAP reflects the decline in the number of states with FMAPs of 70% or more (in FY1990, 12 states had an FMAP of 70% or more, by FY2006 only five states had an FMAP of 70% or more).

As noted earlier, the National Income and Products Account (NIPA) definition of personal income includes transfer payments. This means that all other things being equal, during an economic downturn as more people in a state receive transfer payments such as unemployment or Medicaid benefits, the personal income in the state increases. At the same time, since capital gains (or losses) are not included in personal income, if a significant portion of the economic downturn is the result of declines in the equity (stock) market, the capital losses do not result in a corresponding decline in personal income.

The recent economic downturn in 2001 has been attributed to the impact of the 9/11 attacks, and the decline in the equity (stock) market. As a result, states may have experienced a decline in revenues from the personal income tax without a reduction in the per capita personal income (used to calculate the FMAP).

Population is also a major component in the calculation of per capita personal income. If for example two states have the same personal income, the state with the largest population will have the lowest per capita personal income and highest FMAP of the two states.

According to a published Bureau of Economic Analysis (BEA) document on the highlights of the 2003 revision,[8] the estimates of property-casualty insurance, services provided by banks without charge, and investment in nonresidential structures were improved through a change in their measurement. While these changes would have an impact on personal income (for example, the changes for services provided by banks without charge and property-casualty insurance would

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[8] Available on the BEA website at [http://www.bea.gov/bea/newsrel/2003cr_fax.pdf].

impact personal interest income), a larger impact may be from the use of a number of updated and more comprehensive data sources including updated BEA input-output tables, more recent annual surveys of business, government, and the economy by the Census Bureau, tabulations of business returns for 2000 and 2001 by the Internal Revenue Service, and tabulations of wages and salaries for 2001 and 2002.

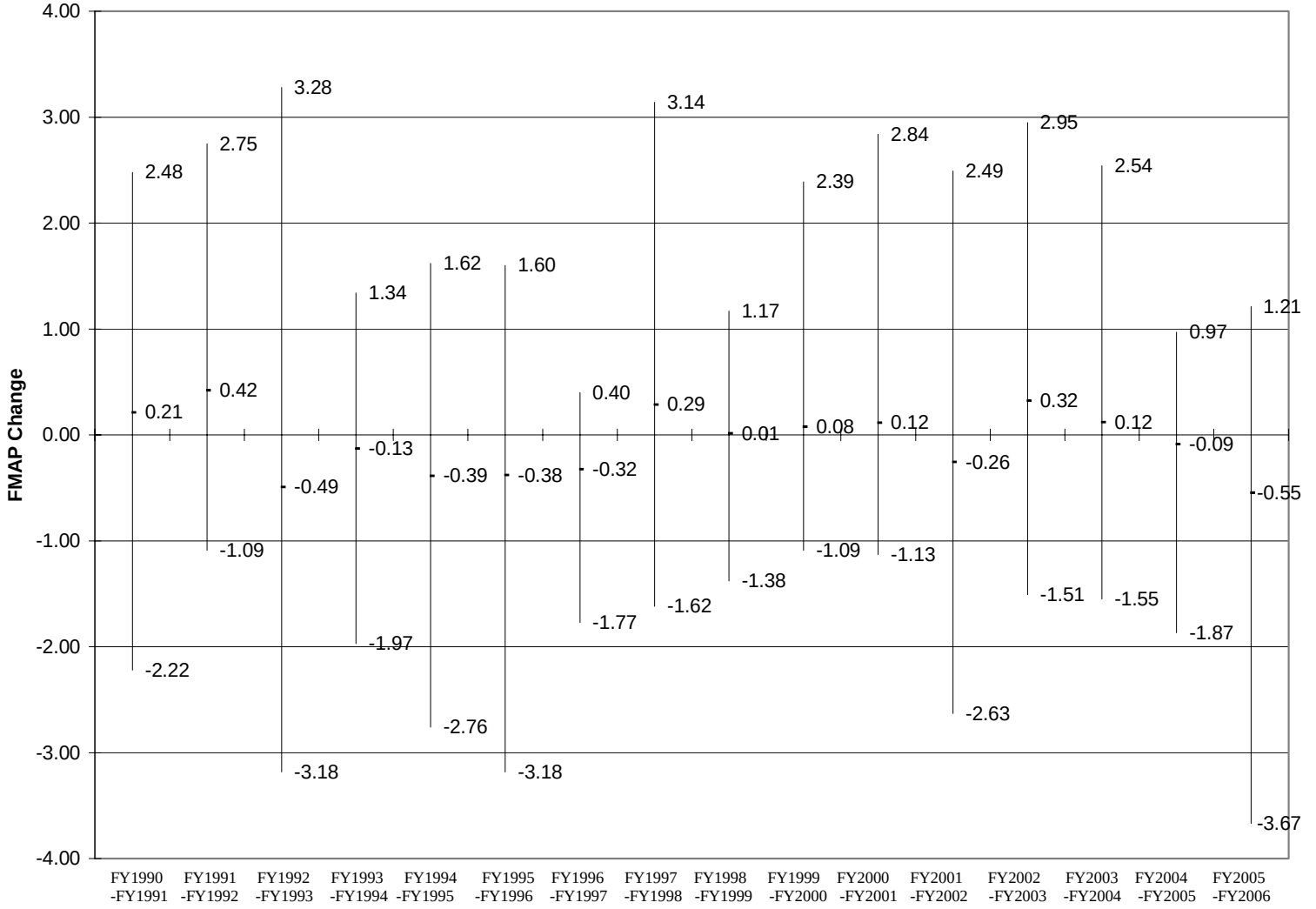
Legislative Developments

In the 108th Congress, the Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA, P.L. 108-27) contained a provision providing temporary fiscal relief for states and local governments. JGTRRA provided $10 billion to the states through changes in Medicaid financing and direct grants. The FMAPs for the last two quarters of FY2003 and the first three quarters of FY2004 were held harmless for declines from the prior year, and 2.95 percentage points were added to the FMAPs. In addition, the spending caps for the territories were raised by 5.9% for the last two quarters of FY2003 and first three quarters of FY2004. JGTRRA also provided $5 billion in grants to the states (including the District of Columbia, Puerto Rico, and the territories) in both FY2003 and FY2004 based on population. The grant funds had to be used for improving education or job training, health care services, transportation or other infrastructure, law enforcement or public safety, and maintaining essential government services.

The temporary increase in FMAPs has expired, leaving states with concerns about replacing the funds in their budgets, particularly for states with declines in their FMAP occurring in both FY2005 and FY2006.

In the 109th Congress, legislation has been introduced to remove the cap on Medicaid spending for the territories (H.R. 57), and to provide a 100% FMAP for services provided to Native Hawaiians (S. 68). Two bills (H.R. 2258 and S. 1007) would limit the decline in state FMAPs between FY2005 and FY2006.

Figure 1. Largest Increase, Largest Decrease, and Average Change in Annual State FMAPs, FY1990-91 through FY2005-06



Source: Figure prepared by the Congressional Research Service (CRS).

Table 2. Change in Annual State FMAPs, FY1990-FY1991 to FY1997-FY1998

States	1990-1991	1991-1992	1992-1993	1993-1994	1994-1995	1995-1996	1996-1997	1997-1998
Alabama	-0.48	0.20	-1.48	-0.23	-0.77	-0.60	-0.31	-0.22
Alaska	0.00	0.00	0.00	0.00	0.00	0.00	0.00	[a]
Arizona	0.73	0.89	3.28	0.01	0.50	-0.55	-0.32	-0.20
Arkansas	0.54	0.54	-1.25	0.05	-0.71	-0.14	-0.32	-0.45
California	0.00	0.00	0.00	0.00	0.00	0.00	0.23	1.00
Colorado	1.48	1.20	-0.37	-0.12	-1.20	-0.66	-0.12	-0.35
Connecticut	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Delaware	0.00	0.00	0.00	0.00	0.00	0.33	-0.33	0.00
District of Columbia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	[a]
Florida	-0.24	0.23	0.34	-0.25	1.50	-0.52	0.03	-0.14
Georgia	-0.75	0.44	0.30	0.39	-0.24	-0.33	-0.38	-0.68
Hawaii	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Idaho	0.33	-0.41	-2.04	-0.28	-0.78	-1.36	-0.81	1.62
Illinois	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Indiana	-0.52	0.61	-0.64	0.28	-0.46	-0.46	-0.99	-0.17
Iowa	0.89	1.63	-2.30	0.59	-0.71	1.60	-1.28	0.81
Kansas	1.28	1.88	-1.05	1.34	-0.62	0.14	-0.17	0.84
Kentucky	0.01	-0.14	-1.13	-0.78	-1.33	0.72	-0.21	0.28
Louisiana	1.36	0.96	-1.73	-0.22	-0.84	-0.76	-0.53	-1.33
Maine	-1.71	-1.09	-0.59	0.15	1.34	0.02	0.40	2.32
Maryland	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Massachusetts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Michigan	-0.37	1.24	0.43	0.53	0.47	-0.07	-1.57	-1.62
Minnesota	0.69	1.00	0.50	-0.28	-0.38	-0.34	-0.33	-1.46
Mississippi	-0.24	0.06	-0.98	-0.16	-0.27	-0.51	-0.85	-0.13
Missouri	0.64	1.02	-0.58	0.38	-0.79	0.21	-0.02	0.64
Montana	0.38	-0.03	-0.78	0.13	-0.24	-1.43	-0.37	1.55
Nebraska	1.59	1.79	-3.18	0.66	-1.58	-0.91	-0.36	2.04
Nevada	0.00	0.00	2.28	-1.97	-0.31	0.00	0.00	0.00
New Hampshire	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Jersey	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Mexico	1.13	0.95	-0.48	0.32	-0.86	-0.44	-0.21	-0.05
New York	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
North Carolina	-0.86	-0.08	-0.60	-0.78	-0.43	-0.12	-0.70	-0.80
North Dakota	2.48	2.75	-0.54	-1.08	-2.40	0.33	-1.33	2.70
Ohio	-0.04	0.70	-0.38	0.58	-0.14	-0.52	-0.89	-1.14

States	1990-1991	1991-1992	1992-1993	1993-1994	1994-1995	1995-1996	1996-1997	1997-1998
Oklahoma	1.36	1.09	-1.07	0.72	-0.34	-0.16	0.12	0.50
Oregon	0.55	0.05	-1.16	-0.27	0.24	-1.35	-0.49	0.94
Pennsylvania	-2.22	0.20	-1.36	-0.87	-0.34	-1.34	-0.08	0.54
Rhode Island	-1.41	-0.45	0.35	0.23	1.62	-1.65	0.06	-0.73
South Carolina	-0.49	0.08	-1.38	-0.20	-0.37	0.06	-0.34	-0.20
South Dakota	0.79	0.90	-2.32	-0.77	-1.44	-1.40	-1.77	2.86
Tennessee	-1.07	-0.16	-0.84	-0.42	-0.63	-0.88	-1.06	-1.22
Texas	2.30	0.65	0.26	-0.26	-0.87	-1.01	0.26	-0.28
Utah	0.19	0.22	0.18	-0.94	-0.87	-0.27	-0.88	0.25
Vermont	-0.80	-0.60	-1.49	-0.33	1.27	0.05	0.18	1.13
Virginia	0.00	0.00	0.00	0.00	0.00	1.37	0.08	0.04
Washington	0.33	0.77	0.04	-0.78	-2.27	-1.78	0.33	1.63
West Virginia	0.39	0.68	-1.39	-0.57	-1.12	-1.34	-0.66	1.07
Wisconsin	0.34	0.76	0.04	0.05	-0.66	-0.14	-0.67	-0.16
Wyoming	2.19	0.96	-1.99	-1.48	-2.76	-3.18	0.19	3.14
Maximum increase	2.48	2.75	3.28	1.34	1.62	1.60	0.40	3.14
Maximum decrease	-2.22	-1.09	-3.18	-1.97	-2.76	-3.18	-1.77	-1.62
Average change in state FMAPs	0.21	0.42	-0.49	-0.13	-0.39	-0.38	-0.32	0.29
Number of states with increase	23	29	11	16	7	10	10	20
Number of states with decrease	14	8	27	22	31	29	30	19

Source: Table prepared by the Congressional Research Service (CRS).

a. Statutory change (BBA 1997) for Alaska and the District of Columbia.

Table 3. Change in Annual State FMAPs, FY1998-FY1999 to FY2005-FY2006

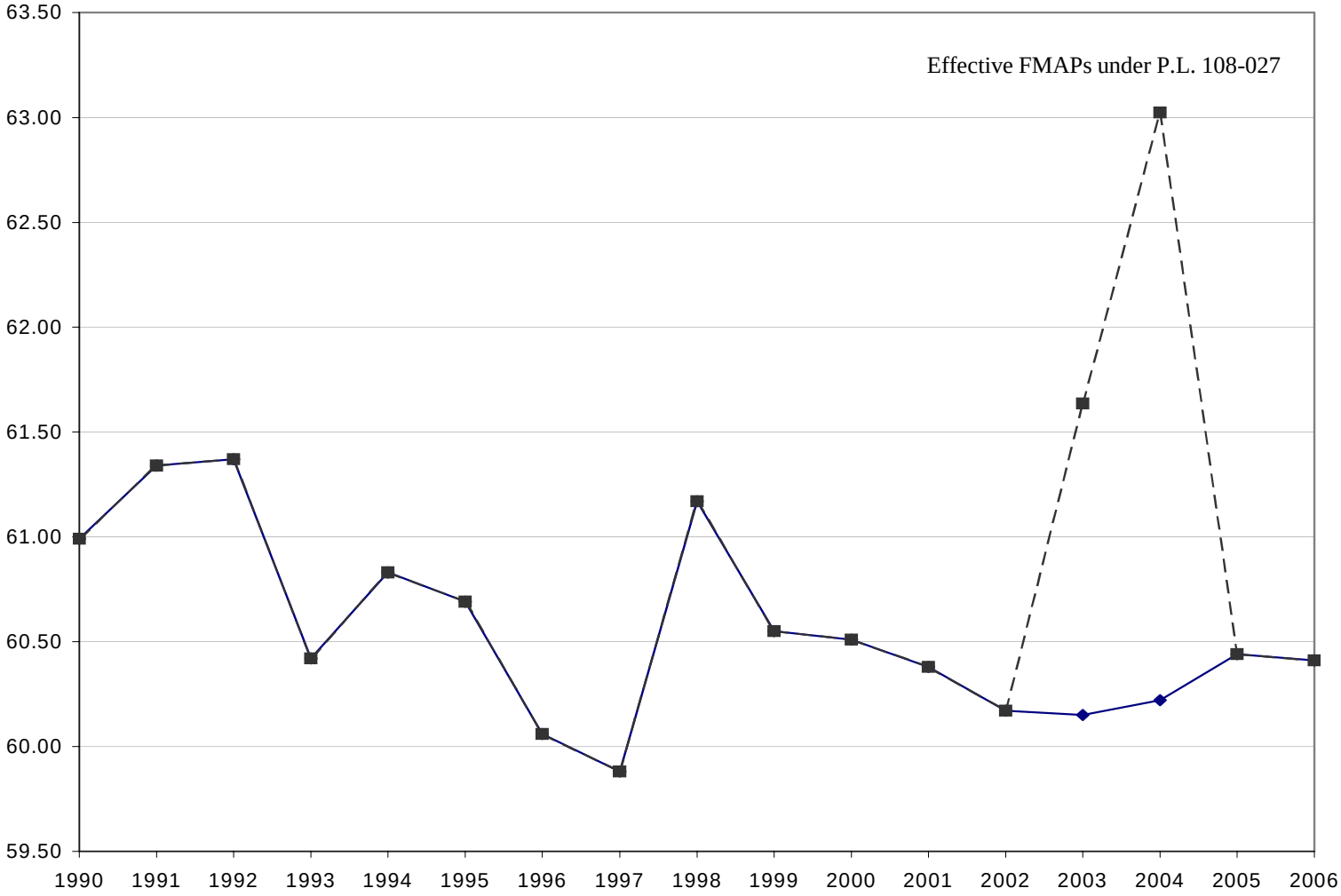
States	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
Alabama	-0.05	0.30	0.42	0.46	0.15	0.15	0.08	-1.32
Alaska	0.00	0.00	[a]	1.34	0.89	0.12	-0.81	[b]
Arizona	0.17	0.42	-0.15	-0.79	2.27	0.01	0.19	-0.47
Arkansas	0.12	-0.11	0.17	-0.38	1.64	0.39	0.08	-0.98
California	0.32	0.12	-0.42	0.15	-1.40	0.00	0.00	0.00
Colorado	-1.38	-0.59	0.00	0.00	0.00	0.00	0.00	0.00
Connecticut	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Delaware	0.00	0.00	0.00	0.00	0.00	0.00	0.38	-0.29
District of Columbia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Florida	0.17	0.80	0.00	-0.19	2.40	0.10	-0.03	-0.01
Georgia	-0.37	-0.59	-0.21	-0.67	0.60	-0.02	0.86	0.16
Hawaii	0.00	1.01	2.84	2.49	2.43	0.13	-0.43	0.34
Idaho	0.26	0.30	0.61	0.26	-0.06	-0.50	0.16	-0.71
Illinois	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Indiana	-0.40	0.73	0.30	0.00	-0.07	0.35	0.46	0.20
Iowa	-0.43	-0.26	-0.39	0.19	0.64	0.43	-0.38	0.06
Kansas	0.34	-0.02	-0.18	0.35	-0.05	0.67	0.19	-0.60
Kentucky	0.16	0.02	-0.16	-0.45	-0.05	0.20	-0.49	-0.34
Louisiana	0.34	-0.05	0.21	-0.23	0.98	0.35	-0.59	-1.25
Maine	0.36	-0.18	-0.10	0.46	-0.36	-0.21	-1.12	-1.99
Maryland	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Massachusetts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Michigan	-0.86	2.39	1.07	0.18	-0.94	0.47	0.82	-0.12
Minnesota	-0.64	-0.02	-0.37	-1.11	0.00	0.00	0.00	0.00
Mississippi	-0.31	0.02	0.02	-0.73	0.53	0.46	0.00	-1.08
Missouri	-0.44	0.27	0.52	0.03	0.17	0.24	-0.32	0.78
Montana	1.17	0.57	0.74	-0.21	0.13	-0.11	-0.95	-1.36
Nebraska	0.29	-0.58	-0.50	-0.83	-0.03	0.37	-0.25	0.04
Nevada	0.00	0.00	0.36	-0.36	2.39	2.54	0.97	-1.14
New Hampshire	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Jersey	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Mexico	0.37	0.34	0.48	-0.76	1.52	0.29	-0.55	-3.15
New York	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
North Carolina	-0.02	-0.58	-0.02	-1.01	1.10	0.29	0.78	-0.14
North Dakota	-0.49	0.48	-0.43	-0.12	-1.51	-0.05	-0.82	-1.64
Ohio	0.12	0.41	0.36	-0.25	0.05	0.40	0.45	0.20
Oklahoma	0.33	0.25	0.15	-0.81	0.13	-0.32	-0.06	-2.27

States	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
Oregon	-0.91	-0.59	0.04	-0.80	0.96	0.65	0.31	0.45
Pennsylvania	0.38	0.05	-0.20	1.03	0.04	0.07	-0.92	1.21
Rhode Island	0.88	-0.28	0.02	-1.34	2.95	0.63	-0.65	-0.93
South Carolina	-0.38	0.10	0.49	-1.10	0.47	0.05	0.03	-0.57
South Dakota	0.41	0.56	-0.41	-2.38	-0.64	0.38	0.36	-0.96
Tennessee	-0.27	0.01	0.69	-0.15	0.95	-0.19	0.41	-0.82
Texas	0.17	-1.09	-0.79	-0.40	-0.18	0.23	0.65	-0.21
Utah	-0.80	-0.23	-0.11	-1.44	1.24	0.48	0.42	-1.38
Vermont	-0.21	0.27	0.16	0.66	-0.65	-1.07	-1.23	-1.62
Virginia	0.11	0.07	0.18	-0.40	-0.92	-0.53	0.00	0.00
Washington	0.35	-0.67	-1.13	-0.33	-0.37	0.00	0.00	0.00
West Virginia	0.80	0.31	0.56	-0.07	-0.23	0.15	-0.54	-1.66
Wisconsin	0.01	-0.07	0.51	-0.72	-0.14	-0.02	-0.09	-0.67
Wyoming	1.06	-0.04	0.56	-2.63	-0.65	-1.55	-1.87	-3.67
Maximum Increase	1.17	2.39	2.84	2.49	2.95	2.54	0.97	1.21
Maximum Decrease	-1.38	-1.09	-1.13	-2.63	-1.51	-1.55	-1.87	-3.67
Average change	0.01	0.08	0.12	-0.26	0.32	0.12	-0.09	-0.55
Number with Increase	23	23	23	12	23	27	18	9
Number with Decrease	16	17	16	28	17	11	19	28

Source: Table prepared by the Congressional Research Service (CRS).

a. P.L. 106-544 sets alternative formula for Alaska.
b. Alternative formula for Alaska no longer in effect.

Figure 2. Median State FMAP, 1990 - 2006



Source: Figure prepared by the Congressional Research Service (CRS).