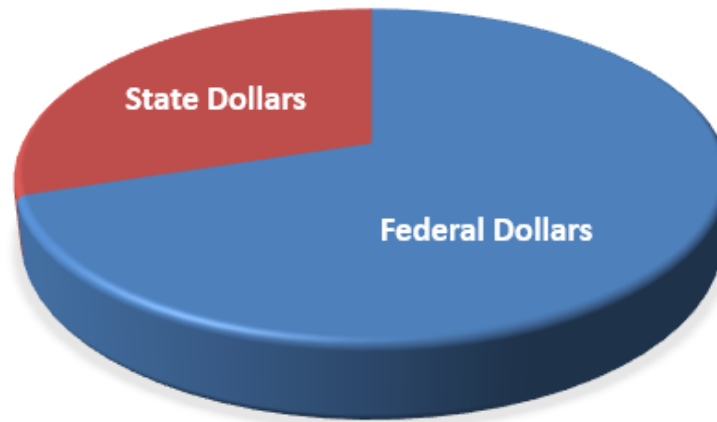


A BRIEF GUIDE TO VERMONT FMAP

Federal Medical Assistance Percentage



Nolan Langweil, Joint Fiscal Office

February 2025

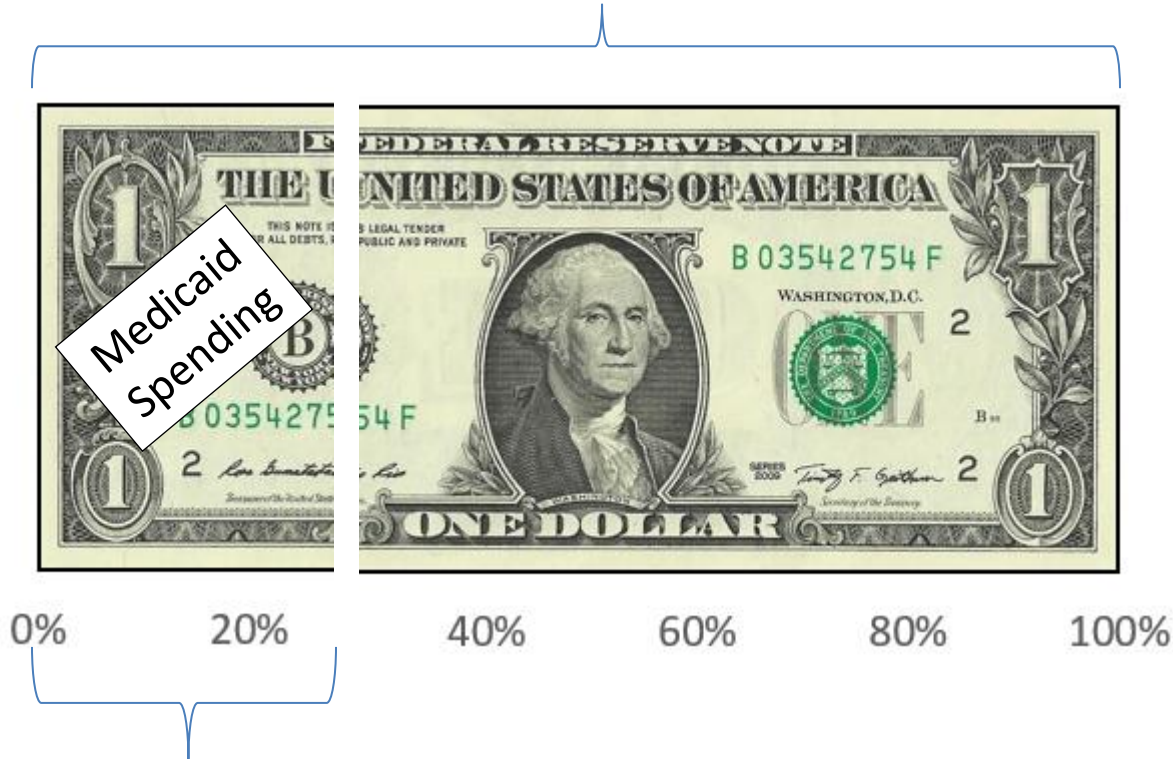


CONTEXT: STATE BUDGET

(2024 illustration)



Total FY 2024 State Appropriation = \$8.69 Billion



FY 2024 Medicaid expenditures = \$2.3 Billion
(27% of the state appropriation)

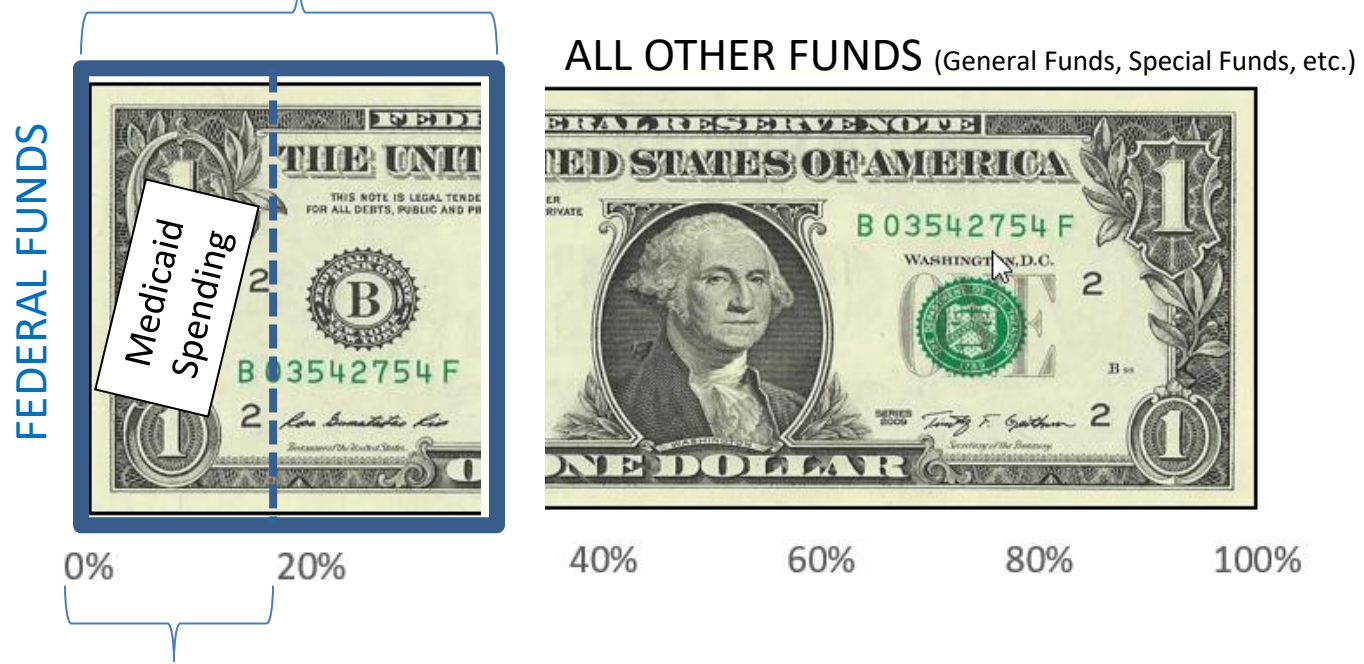


CONTEXT: STATE BUDGET

(2024 illustration)



Total FY 2024 Federal Funds = \$3.17 Billion
This is 36% of the total state budget



Medicaid accounts for 40% of the federal dollars appropriated in the state budget



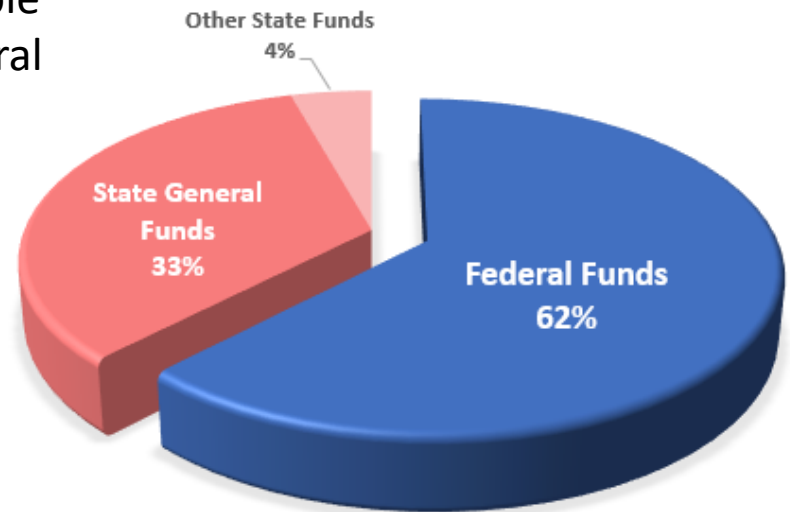


MEDICAID FINANCING

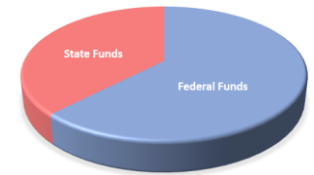


- Overall FY 2024 Medicaid expenditures = \$2.3 billion (gross)
- Medicaid is funded through a combination of both State and Federal matching dollars.

- ❖ The federal government matches allowable state expenditures according to the **F**ederal **M**edicaid **A**ssistance **P**ercentage (FMAP).
- ❖ Most (not all) of the federal funds for the State's Medicaid are from FMAP.
- ❖ Federal matching dollars range between 50% to 90% depending on the program and/or the expenditure.
- ❖ In FY'24 total federal participation accounted for approximately 62% of overall Medicaid spending in Vermont.



Federal Medical Assistance Percentage (FMAP)



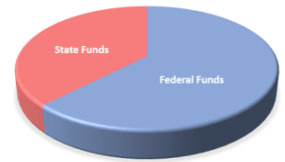
- FMAP is the share of state Medicaid benefit costs paid by the federal government
- FMAP is calculated based on a 3-year average of state per capita personal income compared to national average
- No state can receive less than 50% or more than 83%

<i>COMPARISON OF FMAPs - Selected States (FFY 2026)</i>			
<u>New England States</u>	<u>Highest FMAP</u>	<u>Lowest FMAP (50% FMAP)</u>	
CT, NH, MA = 50%	Mississippi (76.90%)	California	New Hampshire
RI = 57.50% ↑	West Virginia (74.22%) ↑	Colorado	New Jersey
Vermont = 59.01% ↑	Alabama (72.63%) ↓	Connecticut	New York
Maine = 61.29% ↓	New Mexico (71.66%) ↓	Maryland	Washington
		Massachusetts	Wyoming
↑ = Increased from previous year			
↓ = Decreased from previous year			

- States also receive “enhanced FMAPs” for expansion populations under the ACA and for the *Children’s Health Insurance Program (CHIP)*



Federal Medical Assistance Percentage



SFY 2026 RATES

Federal Medical Assistance Percentage (FMAP)

- 58.81% Federal / 41.20% State
- Applied to the majority Medicaid expenditures

Enhanced FMAPs

Children's Health Insurance Program (CHIP)

- 71.17% Federal / 28.84% State
- Applied to Medicaid expenditures for approx. 4,400 low-income children

Childless New Adults

- 90% Federal / 10% State
- Applied to the Medicaid expenditures for approx. 41,000 childless adults
- Enacted as part of the Affordable Care Act

STATE SHARE

\$1.00



GROSS

\$2.43



=

\$1.00



\$3.47



=

\$1.00



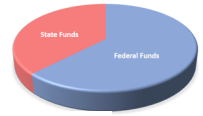
\$10.00



=

* The State fiscal year is different than the federal fiscal year. As such, the state uses a blended match rate to calculate SFY FMAP rates.





FMAP History: Ups & Downs

Year	State Share
2000	37.83%
2001	37.64%
2002	37.11%
2003	36.57%
2004	34.48%
2005	39.58%
2006	41.11%
2007	41.18%
2008	41.00%
2009	33.90%
2010	30.04%
2011	31.93%
2012	42.14%
2013	43.58%
2014	43.56%
2015	43.51%
2016	44.97%
2017	45.68%
2018	46.28%
2019	46.21%
2020	46.13%
2021	45.61%
2022	44.01%
2023	44.02%
2024	43.48%
2025	42.17%
2026	41.20%

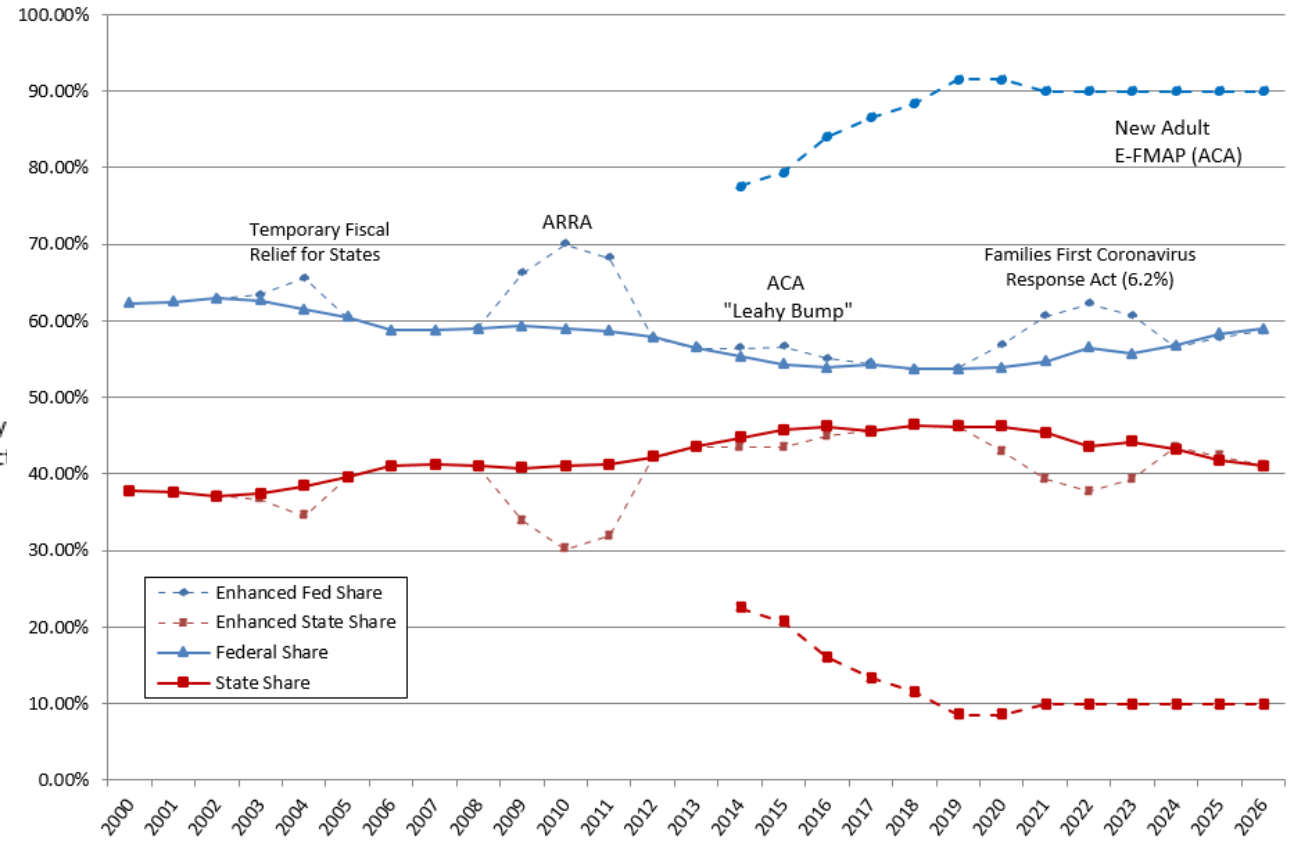
Temporary fiscal relief to states

American Recovery & Reinvestment Act (ARRA)

Affordable Care Act (ACA) "Leahy Bump"

+ 6.2% FMAP bump, Families First Coronavirus Response Act

- Years where FMAP decreased (and state share increased).
 - Years where state received enhancements to FMAP



Vermont FMAP Year over Year % Change

