

BILLING CODE: 4150-05

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, 2013 through
September 30, 2014

AGENCY: Office of the Secretary, DHHS.

ACTION: Notice.

SUMMARY: The Federal Medical Assistance Percentages (FMAP), Enhanced Federal Medical Assistance Percentages (eFMAP), and disaster-recovery FMAP adjustments for Fiscal Year 2014 have been calculated pursuant to the Social Security Act (the Act). These percentages will be effective from October 1, 2013 through September 30, 2014. This notice announces the calculated FMAP and eFMAP rates 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) and Children's Health Insurance Program (CHIP) expenditures, 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, Foster Care Title IV-E Maintenance payments, and Adoption Assistance payments. 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

also announces the disaster-recovery FMAP adjustments for qualifying states for FY 2014 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) and title IV–E Foster Care, Adoption Assistance and Guardianship Assistance programs.

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, while a program under title XVI (Aid to the Aged, Blind, or Disabled) operates only in Puerto Rico. 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 Nation as a whole. The percentages must fall within the upper and lower limits given 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.

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, (2) the Federal medical assistance percentage 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.

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 Federal Medical Assistance Percentage (FMAP) for medical expenditures for individuals determined eligible under the new adult group in the State and who will be considered to be “newly eligible” in 2014, as defined in section 1905(y)(2)(A) of the Act. The FMAP for these newly eligible individuals will be 100 percent for Calendar Year (CY) 2014—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 had expanded substantial coverage to low-income parents and nonpregnant adults without children prior to the enactment of the Affordable Care Act, referred to as “expansion States,” shall receive an enhanced FMAP that begins in 2014 for nonpregnant childless adults who may be required to enroll in benchmark coverage. These provisions are discussed in more detail in the Medicaid Eligibility proposed rule published on August 17, 2011 (**76 FR 51172**) and the final rule published on March 23, 2012 (**77 FR 17143**).

Section 2006 of the Affordable Care Act amended section 1905 of the Social Security Act by adding section (aa) to provide for an increase in the FMAP rate for qualifying States for Medicaid and title IV-E Foster Care, Adoption Assistance and Guardianship Assistance programs. The purpose of the increase to the FMAP rate is to provide increased federal financial participation for qualifying States that have experienced a major, statewide disaster.

The methodology for calculating and publishing disaster-recovery adjustments to fiscal

year FMAP rates was published on December 22, 2010 (**75 FR 80501**).

Section 1905(aa) of the Act defines a “disaster-recovery FMAP adjustment state” as one of the 50 states or District of Columbia for which, at any time during the preceding 7 fiscal years, the President has declared a major disaster under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act under which every county or parish in the state is eligible for individual and public assistance or public assistance from the federal government, and for which the FMAP as determined for the fiscal year is less than the FMAP (for the first year of assistance) or the disaster-adjusted recovery FMAP (for each subsequent year of assistance) for the preceding fiscal year by at least three percentage points.

Qualifying states receive an adjustment to their annual FMAP rate based on a formula specified in statute. In the first year a State qualifies, this increase is applied to the FMAP as determined for the fiscal year. Section 2006 of the Affordable Care Act specified that the disaster-recovery adjustment in the second or any succeeding fiscal year a State qualifies be applied to the prior year’s disaster-recovery adjusted FMAP. This resulted in increased, rather than phased down, financial assistance to qualifying states each year, and allowed states to continue to qualify for assistance after their underlying FMAP has stabilized. Section 3204 of the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96) revised the formula in section 1905(aa) to apply the adjustment for the second or any succeeding fiscal year that a states qualifies to the

FMAP as determined for the fiscal year, effective October 1, 2013. Further, section 100123 of the Moving Ahead for Progress in the 21st Century Act (P.L. 112-141) revised the formula again, this time for FY13 only, and changed the effective date in P.L. 112-96 to October 1, 2012. As a result, HHS has revised the FY13 disaster-recovery FMAP adjustment published on November 30, 2011. Thus, the revised disaster-recovery FMAP rate for Louisiana for FY13 (the only qualifying state, as published in **76 FR 74061**) is included in Table 2 taking into account the revised formula set forth in section 3204 of the Middle Class Tax Relief and Job Creation Act of 2012.

Based on the criteria for a qualifying state, only one State, Louisiana, meets the requirement for a disaster-recovery FMAP adjustment in FY14. Hurricane Gustav caused Louisiana to be declared a state-wide disaster area on September 2, 2008. In addition, Louisiana's FMAP as determined for FY 2014 is less than the previous year disaster-recovery adjusted FMAP by at least three percentage points. Therefore, Louisiana is the only state that qualifies for a disaster-recovery adjustment to their FY2014 FMAP rate. The disaster-recovery adjusted FMAP rate for Louisiana for FY2014 is included in Table 2.

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

The "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.

The eFMAP rates are used in the Children's Health Insurance Program under Title XXI, and in the Medicaid program for certain children for expenditures for medical assistance 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.

EFFECTIVE DATES: The percentages listed in Table 1 will be effective for each of the four quarter-year periods beginning October 1, 2013 and ending September 30, 2014. The FY14 disaster-recovery adjusted FMAP rate in Table 2 will also be effective for each of the four quarter-year periods beginning October 1, 2013 and ending September 30, 2014. The FY13 revised disaster-recovery adjusted FMAP rate in Table 2 will be effective for each of the four quarter-year periods beginning October 1, 2012 and ending September 30, 2013.

FOR FURTHER INFORMATION CONTACT: Carrie Shelton or Tom Musco, Office of Health Policy, Office of the Assistant Secretary for Planning and Evaluation, Room

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D.C. 20201, (202) 690-6870.

(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 (TWWIIA) Demonstrations to Maintain Independence and
Employment; 93.778: Medical Assistance Program; 93.767: Children's Health Insurance
Program)

Dated: __November 23, 2012_____

Kathleen Sebelius
Secretary

Table 1. Federal Medical Assistance Percentages and Enhanced Federal Medical Assistance Percentages, effective October 1, 2013-September 30, 2014 (Fiscal Year 2014)

State	Federal Medical Assistance Percentages	Enhanced Federal Medical Assistance Percentages
Alabama	68.12	77.68
Alaska	50.00	65.00
American Samoa*	55.00	68.50
Arizona	67.23	77.06
Arkansas	70.10	79.07
California	50.00	65.00
Colorado	50.00	65.00
Connecticut	50.00	65.00
Delaware	55.31	68.72
District of Columbia**	70.00	79.00
Florida	58.79	71.15
Georgia	65.93	76.15
Guam*	55.00	68.50
Hawaii	51.85	66.30
Idaho	71.64	80.15
Illinois	50.00	65.00
Indiana	66.92	76.84
Iowa	57.93	70.55
Kansas	56.91	69.84
Kentucky	69.83	78.88
Louisiana	60.98	72.69
Maine	61.55	73.09
Maryland	50.00	65.00
Massachusetts	50.00	65.00
Michigan	66.32	76.42
Minnesota	50.00	65.00
Mississippi	73.05	81.14
Missouri	62.03	73.42
Montana	66.33	76.43
Nebraska	54.74	68.32
Nevada	63.10	74.17
New Hampshire	50.00	65.00
New Jersey	50.00	65.00
New Mexico	69.20	78.44
New York	50.00	65.00
North Carolina	65.78	76.05
North Dakota	50.00	65.00
Northern Mariana Islands*	55.00	68.50
Ohio	63.02	74.11

Oklahoma	64.02	74.81
Oregon	63.14	74.20
Pennsylvania	53.52	67.46
Puerto Rico*	55.00	68.50
Rhode Island	50.11	65.08
South Carolina	70.57	79.40
South Dakota	53.54	67.48
Tennessee	65.29	75.70
Texas	58.69	71.08
Utah	70.34	79.24
Vermont	55.11	68.58
Virgin Islands*	55.00	68.50
Virginia	50.00	65.00
Washington	50.00	65.00
West Virginia	71.09	79.76
Wisconsin	59.06	71.34
Wyoming	50.00	65.00

* 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 DSH allotments under those titles. For other purposes, the percentage for D.C is 50.00, unless otherwise specified by law.

Table 2. Disaster-Recovery Adjusted FMAP Rates

Fiscal Year 2013 Revised Disaster-Recovery Adjusted FMAP Rates

A	B	C	D	E	F
State	FY13 FMAP	FY12 Disaster Recovery Adjusted FMAP	Decrease in FMAP	Disaster Recovery Adjustment Increase	Disaster Recovery Adjusted FMAP FY13
			Col C - B	50% x Col D*	Col B + E
Louisiana	61.24	69.78	8.54	4.27	65.51

* Percentage determined in accordance with section 1905(aa)(1)(A) of the Social Security Act

Fiscal Year 2014 Disaster-Recovery Adjusted FMAP Rates

A	B	C	D	E	F
State	FY14 FMAP	FY13 Disaster Recovery Adjusted FMAP	Decrease in FMAP	Disaster Recovery Adjustment Increase	Disaster Recovery Adjusted FMAP FY14
			Col C - B	25% x Col D*	Col B + E
Louisiana	60.98	65.51	4.53	1.13	62.11

* Percentage determined in accordance with section 1905(aa)(1)(B) of the Social Security Act