

October 2011

## NORTH DAKOTA'S FEDERAL MEDICAL ASSISTANCE PERCENTAGE - 2013

The federal medical assistance percentage (FMAP) determines the state and federal share of Medicaid, foster care, and other program costs of the Department of Human Services. The FMAP changes October 1 of each year.

North Dakota's FMAP for federal fiscal year (FFY) 2013 (October 1, 2012, through September 30, 2013) will be 52.27 percent, a decrease of 3.13 percent from North Dakota's 2012 FMAP of 55.40 percent and a decrease of 3.29 percent from the 55.56 percent estimate released by Federal Funds Information for States (FFIS) in March 2011. The schedule below presents the FMAPs for North Dakota in recent and future years.

FFY	North Dakota's FMAP	North Dakota's Enhanced FMAP <sup>1</sup>
2008	63.75%	N/A
2009	63.15%	69.95%
2010	63.01%	69.95%
2011	60.35% (fourth quarter)	69.95% (first quarter) 66.95% (second quarter) 64.95% (third quarter)
2012	55.40%	N/A
2013	52.27%	N/A

<sup>1</sup>The American Recovery and Reinvestment Act (ARRA) of 2009 increased a state's FMAP in three ways:

- States that would otherwise experience a decrease in their FMAP formula will be held harmless against any decline for FFY 2009, FFY 2010, and the first quarter of FFY 2011.
- Each state was eligible for a 6.2 percent across-the-board increase beginning October 1, 2008, through December 31, 2010, after application of the hold harmless provision.
- A state received a bonus based on the state's quarterly unemployment rate relative to its base rate. (North Dakota did not qualify for this bonus.)

In August 2010 President Barack Obama signed into law H.R.1586 which provides an extension of the ARRA FMAP. Specifically, H.R.1586 eliminated scheduled FMAP decreases for the second and third quarters of FFY 2011 (January 1, 2011, through June 30, 2011). The across-the-board increase was reduced from 6.2 percent to 3.2 percent for January through March 2011 and to 1.2 percent for April through June 2011.

In 2011 the Legislative Assembly provided an additional \$104.9 million of general fund support to the Department of Human Services to provide for additional state matching requirements resulting from the anticipated reduction in North Dakota's FMAP during the 2011-13 biennium compared to the 2009-11 biennium. The Legislative Assembly used an estimated FMAP of 55.40 percent for FFY 2013 in developing the Department of Human Services' 2011-13 biennial budget.

The 2013 FMAP will affect the final 10 months of the 2011-13 biennium appropriation. Each percentage change in the FMAP affects the state general fund matching requirements by approximately \$8.14 million per year. **Based on these estimates, the department anticipates needing an additional \$21.2 million of general fund matching funds for state fiscal year 2013.**

The FMAP is calculated based on the relative relationship between each state's per capita personal income and the national average per capita personal income over the most recent three calendar years. For example, per capita incomes in calendar years 2008, 2009, and 2010 determine the FMAP for FFY 2013. No state can receive an FMAP of less than 50 percent or more than 83 percent.

The schedule below compares the federal Bureau of Economic Analysis statistics from the March 25, 2011, preliminary estimates to the actual statistics released on September 26, 2011.

	March 2011 Preliminary		September 2011 Actual		Change From March 2011 to September 2011	
	Amount	Percentage Change From Previous Year	Amount	Percentage Change From Previous Year	Amount	Percentage
<b>North Dakota's per capita personal income</b>						
2008	\$40,128	N/A	\$40,903	13.0%	\$775	1.9%
2009	\$39,492	(1.6%)	\$39,644	(3.1%)	\$152	0.4%
2010	\$40,511	2.6%	\$42,764	7.9%	\$2,253	5.6%

	March 2011 Preliminary		September 2011 Actual		Change From March 2011 to September 2011	
	Amount	Percentage Change From Previous Year	Amount	Percentage Change From Previous Year	Amount	Percentage
<b>National average per capita personal income</b>						
2008	\$40,715	N/A	\$40,947	3.6%	\$232	0.6%
2009	\$39,671	(2.6%)	\$38,846	(5.1%)	(\$825)	(2.1%)
2010	\$40,496	2.1%	\$39,945	2.8%	(\$551)	(1.4%)
<b>North Dakota personal income (in millions)</b>						
2008	\$26,591	N/A	\$26,896	N/A	\$305	1.1%
2009	\$26,393	(0.7%)	\$26,362	(2.0%)	(\$31)	(0.1%)
2010	\$27,305	3.5%	\$28,844	9.4%	\$1,539	5.6%

The September 26, 2011, [FFIS report](#) providing information on the actual 2013 FMAPs, as well as per capita personal income information by state, is attached as an appendix.

States that have an FMAP equal to or less than North Dakota for FFY 2013 are:

- Hawaii - 51.86 percent.
- Rhode Island - 51.26 percent.
- Alaska - 50.00 percent.
- California - 50.00 percent.
- Colorado - 50.00 percent.
- Connecticut - 50.00 percent.
- Illinois - 50.00 percent.
- Maryland - 50.00 percent.
- Massachusetts - 50.00 percent.
- Minnesota - 50.00 percent.
- New Hampshire - 50.00 percent.
- New Jersey - 50.00 percent.
- New York - 50.00 percent.
- Virginia - 50.00 percent.
- Washington - 50.00 percent.
- Wyoming - 50.00 percent.

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