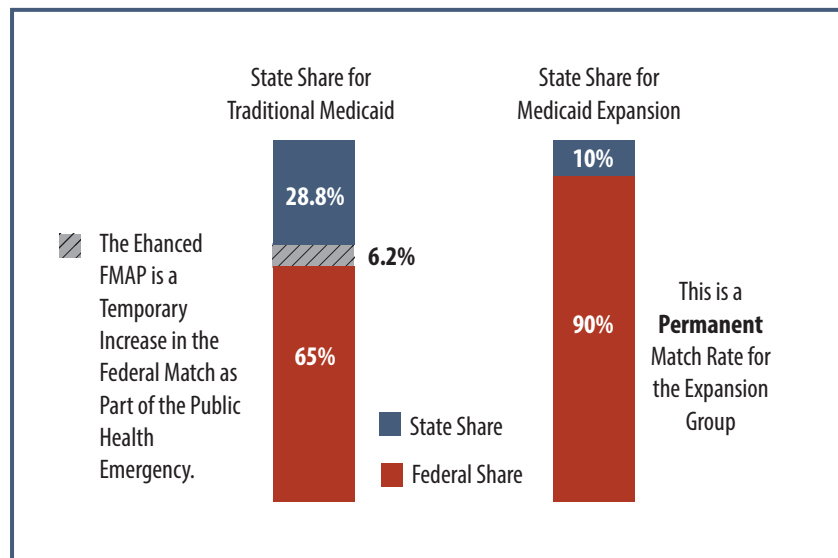


“Enhanced” Federal Medicaid Funding: An Explainer

MO HealthNet - Missouri’s Medicaid program - is funded jointly by the federal and state governments. The amount of the federal share is often referred to as the FMAP (Federal Medical Assistance Percentage). Both the current public health emergency (PHE) and the expansion of Medicaid increase the federal match rate - but they apply to different populations and for different periods of time. In conversation, both are sometimes referred to as “enhanced.” The chart below explains the differences between the temporarily increased FMAP for the public health emergency and the permanent match rate for the Adult Expansion Group.



- While it may vary slightly from year to year, Missouri is generally responsible for around 35% of the costs for the current Medicaid program, while the federal government pays for about 65%. (*Note: Provider taxes cover a significant portion of the state share, with GR funding only about 20% of total Medicaid costs*).
- The Families First Coronavirus Response Act, (March 2020) temporarily increased the federal match rate by 6.2 percentage points. This match rate applied beginning January 1, 2020 and will continue until the end of the PHE.
- In a letter to states, the Biden Administration indicated that it expected the PHE to continue at least through the end of the calendar year. This enhanced match is expected to deliver an additional \$376 million to Missouri in SFY2022.
- Medicaid expansion will provide access to health care to Missourians earning less than 138% of the federal poverty level (about \$18,000 for an individual, or \$30,000 for a family of three).
- The federal government will fund 90% of the cost of this group.
- While the federal government has often increased its contribution to Medicaid during economic crises, it has **never** reduced the formula for its permanent rate.

NOTE: Some proposals for an additional federal COVID relief package would, for two years, increase the base FMAP for states that have not yet expanded Medicaid. The 5-percentage point increase would provide \$1.15 billion in additional federal funding for Medicaid over two years (freeing up state GR for other priorities).