

Increasing Medicaid Funding Using FMAP

Both state and federal governments pay for Medicaid through a cost-share system, which is dictated by the Federal Medical Assistance Percentage (FMAP). FMAP ranges from 50% to 77% of the total cost of Medicaid, depending on the state's income. Wealthier states like Illinois receive the minimal FMAP of 50%, meaning that for each dollar spent on Medicaid, the state pays 50 cents and the federal government also pays 50 cents. The money from FMAP has allowed states to expand Medicaid coverage to more people through innovative programs such as KidCare, which broadens eligibility for low-income children, and could help fund programs that would provide coverage for more HIV-positive people.

Why FMAP is important to people living with HIV/AIDS:

- **Medicaid matters**: Fifty-five percent of people living with AIDS and 90% of children living with HIV/AIDS receive healthcare from Medicaid. Medicaid is the largest provider of healthcare for people living with HIV/AIDS in the U.S. In 2002, Medicaid paid for \$7.7 billion of health services for this population alone.
- **Medicaid programs are in danger due to state budget problems**: Most states are experiencing budgetary pressures and are responding by cutting Medicaid costs in several ways, including reducing eligibility and cutting optional benefits. As a result of this fiscal crisis, more than one million Americans could lose Medicaid coverage this year.
- **More funds are needed**: Demand for Medicaid increases during tough economic times, as more people turn to the public safety net for health coverage. Provisions should be put in place to prevent states from cutting back on Medicaid when the need for the program is highest.
- **FMAP can help**: Temporarily increasing FMAP could provide states with enough money to maintain Medicaid programs as they pull through difficult economic times. Instead of cutting federal funds from Medicaid, which has been proposed, the federal government should provide fiscal relief by increasing FMAP. This new money would ensure that Medicaid programs could continue without a reduction in services.

What you can do to help:

Ultimately, Congress is the driving force behind any changes in legislation regarding FMAP. Please join AFC's Statewide Advocacy Network to receive up-to-date advocacy information.

For more information on FMAP and other Medicaid-related issues, please visit the National Health Law Program's website at <http://www.healthlaw.org/>, and the Families USA website at <http://www.familiesusa.org>.

Last updated: May 23, 2003