



# STATE OF IOWA

CHESTER J. CULVER, GOVERNOR  
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DEPARTMENT OF HUMAN SERVICES  
CHARLES J. KROGMEIER, DIRECTOR

## INFORMATION RELEASE NO. 845

**DATE:** November 1, 2009

**TO:** Local Education Agencies & Infant & Toddler agencies

**ISSUED BY:** Iowa Department of Human Services

**SUBJECT:** Change in the Federal Medical Assistance Percentage (FMAP)

The American Reinvestment and Recovery Act of 2009 (ARRA) included a provision to increase the FMAP rate for Medicaid services by 6.2% which is shown when you receive the provider summary. In addition, there is additional relief based on increases in unemployment. States whose most recent 3-month average unemployment rate is at least 1.5 percentage points above a pre-determined minimum rate would receive an additional FMAP increase. This increase could vary on a quarterly basis depending upon each state's average unemployment rate. The final unemployment data used in calculating Iowa's FMAP rate for the October – December period will not be available until the end of November. *The State will not be sending out monthly billings until this final FMAP rate is published.*

### **Medicaid Calculations for Medicaid Billing Remittance**

The FMAP rate for the October – December billing period is not yet known, and will not be known until late-November. The State will not be sending out monthly billings until the FMAP rate is final. The alternative would be to bill assuming a preliminary FMAP rate, and then issue adjusted billings once the final FMAP rate is known. This was felt to be unnecessarily burdensome for both the state and education agencies.

As soon as the FMAP rate is known, the October billing which is received in November will be issued. There is not expected to be a delay in the November or December billings. Education agencies will still receive three separate billings; the only difference being that the October billing will not be sent until the end of November once the quarterly FMAP rate has been finalized.

The FMAP rate can change on a quarterly basis due to the unemployment adjustments, so this methodology will be applied to all future quarters until the increased FMAP rate ends on December 31, 2010.

If you have questions, please contact IME provider services at 1-800-338-7909 or 515-725-1142 (local) or email at [imeproviderservices@dhs.state.ia.us](mailto:imeproviderservices@dhs.state.ia.us).