

6.2% Enhanced FMAP

Various Departments

Overview

Governor Noem's recommended budget includes a one-time reduction of \$49,228,784 in general funds and \$643,502 in other fund expenditure and an increase of \$47,361,286 in federal fund expenditure authority due to three quarters of savings from the 6.2% enhanced Federal Medical Assistance Percentage (FMAP) in FY2022.

The Families First Coronavirus Response Act provided states with a 6.2% enhancement to the federal FMAP rate during the COVID-19 public health emergency. The increased federal share of Medicaid expenses is part of the federal response to the pandemic in order to provide support to Medicaid and provide broad fiscal relief to states. The enhancement to the FMAP rate is only available to states that meet certain maintenance of eligibility requirements during the public health emergency.

After Governor Noem proposed her budget, the federal government announced that the COVID-19 public health emergency would be extended through April 2022. The FMAP increase will expire at the end of the quarter in which the public health emergency ends, meaning that the enhanced FMAP rate will be available through June 30, 2022. To account for the additional quarter of FMAP savings, the below chart provides the updated savings breakout by agency which results in a total general funds savings of \$65,638,379 in FY2022.

6.2% Enhanced FMAP	General	Federal	Other
Social Services	(38,473,431)	35,125,431	
Human Services	(26,649,476)	27,507,479	(858,003)
Veterans Affairs	(230,000)	230,000	
Corrections	(225,036)	225,036	
Health	(46,960)	46,960	
Education	(13,476)	13,476	
	(65,638,379)	63,148,382	(858,003)