

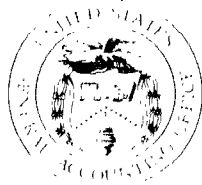
GAO

Fact Sheet for the Honorable
Dale Bumpers, U.S. Senate

May 1991

MEDICAID

Alternatives for Improving the Distribution of Funds



Human Resources Division

B-205047

May 20, 1991

The Honorable Dale Bumpers
United States Senate

Dear Senator Bumpers:

You asked that we prepare several alternatives for improving the distribution of Medicaid funds among the states. Your request followed our December 7, 1990, testimony before the Subcommittee on Human Resources and Intergovernmental Relations, House Committee on Government Operations, concerning the fairness of the Medicaid formula.

In our testimony, we suggested replacing the per capita income factor, used in the existing formula, with two other factors: (1) total taxable resources and (2) people in poverty. We believe the former provides a better measure of a state's ability to fund program services from their own resources and the latter provides a better measure of those people in need of Medicaid services. We believe that using these factors would produce a more equitable distribution of funds. To illustrate their effect we offered one alternative, designed to be budget neutral, which lowered the minimum federal reimbursement rate from its current value of 50 to 40 percent. This would reduce reimbursements to those states with high incomes and low poverty rates.

In this fact sheet, we describe this alternative and several others designed to improve the distribution of Medicaid funds. Each alternative uses the two factors replacing per capita income, but differs in the size of the minimum federal reimbursement rate and the level of federal funding. Our work was done using fiscal year 1989 Medicaid funding data.

Background

Medicaid is a jointly funded federal-state program providing health care to qualified individuals.¹ Under this program, the federal government pays about 55 percent of eligible medical expenses, and states finance the remaining 45 percent. The federal share varies from 50 percent (the statutorily guaranteed minimum reimbursement rate) to 80 percent for individual states. In fiscal year 1990, federal and state Medicaid spending totaled about \$71 billion.

¹ Each state sets its own eligibility standards in accordance with federal regulations.

How the Current Formula Works

The current formula calculates a federal medical assistance percentage (FMAP) for each state. The FMAP establishes the federal reimbursement rate for each state's total medical costs incurred under the program. The formula for FMAP is based on the squared value of state per capita personal income (PCI) when expressed relative to the U.S. average. This formula is:

$$\text{FMAP} = 1.00 - .45 \times [(\text{State PCI})/(\text{U.S. PCI})]^2$$

PCI is based on a 3-year average, as published by the Department of Commerce. The .45 multiplier, established statutorily, determines the average state share of total Medicaid expenses; as a result, a smaller multiplier increases federal outlays and a larger one reduces them. The statute also stipulates that no state should bear more than 50 percent of total costs, regardless of the FMAP calculated by the formula. In fiscal year 1989, this minimum protected 12 states. The federal share of administrative costs is 50 percent for all states except for certain items where the authorized rate is higher.

Alternative Presented in Our Testimony

Alternative 1, presented in our testimony, incorporates measures of both a state's ability to finance program services from state revenues and the number of people in poverty. We also reduced the statutorily guaranteed state minimum from 50 to 40 percent. Reducing the minimum reduces reimbursements for states with more taxable resources and fewer people in poverty. Alternative 1 is:

$$\text{FMAP} = 1.00 - .4052 \times [(\text{State Share of TTR})/(\text{State Share of Poverty})]$$

We changed the value of the multiplier from .45 to .4052 so that the formula would be budget-neutral, based on Medicaid spending (benefits and administrative costs) that took place in fiscal year 1989. Total Taxable Resources (TTR) is prepared by U.S. Department of the Treasury. It measures a state's ability to finance program services from state revenues. The state share of poverty is calculated using the number of people below 150 percent of the official poverty line. The poverty line is based on 1980 census data, collected by the Department of Commerce.

You asked that we prepare several variations of the proposed formula that consider (1) maintaining the minimum federal share at 50 percent and (2) higher federal spending (which is achieved by lowering the multiplier below .45). You also asked that the new formula be applied to

both benefit payments and administrative costs. The following summarizes six alternatives with minimums of 40 and 50 percent and different federal funding levels, ranging from budget-neutral (no increase in funding over current law) to 1.5 percent over current law.

Alternatives With a 40-Percent Minimum

We developed three alternatives with a 40-percent minimum and three funding levels. Alternative 1 is budget-neutral. Alternative 2 assumes a 1-percent increase in the federal share. Alternative 3 assumes a 1.5-percent increase in the federal share. (See table 1 for a summary of each.)

Table 1: Medicaid Formula Alternatives With a 40-Percent Minimum

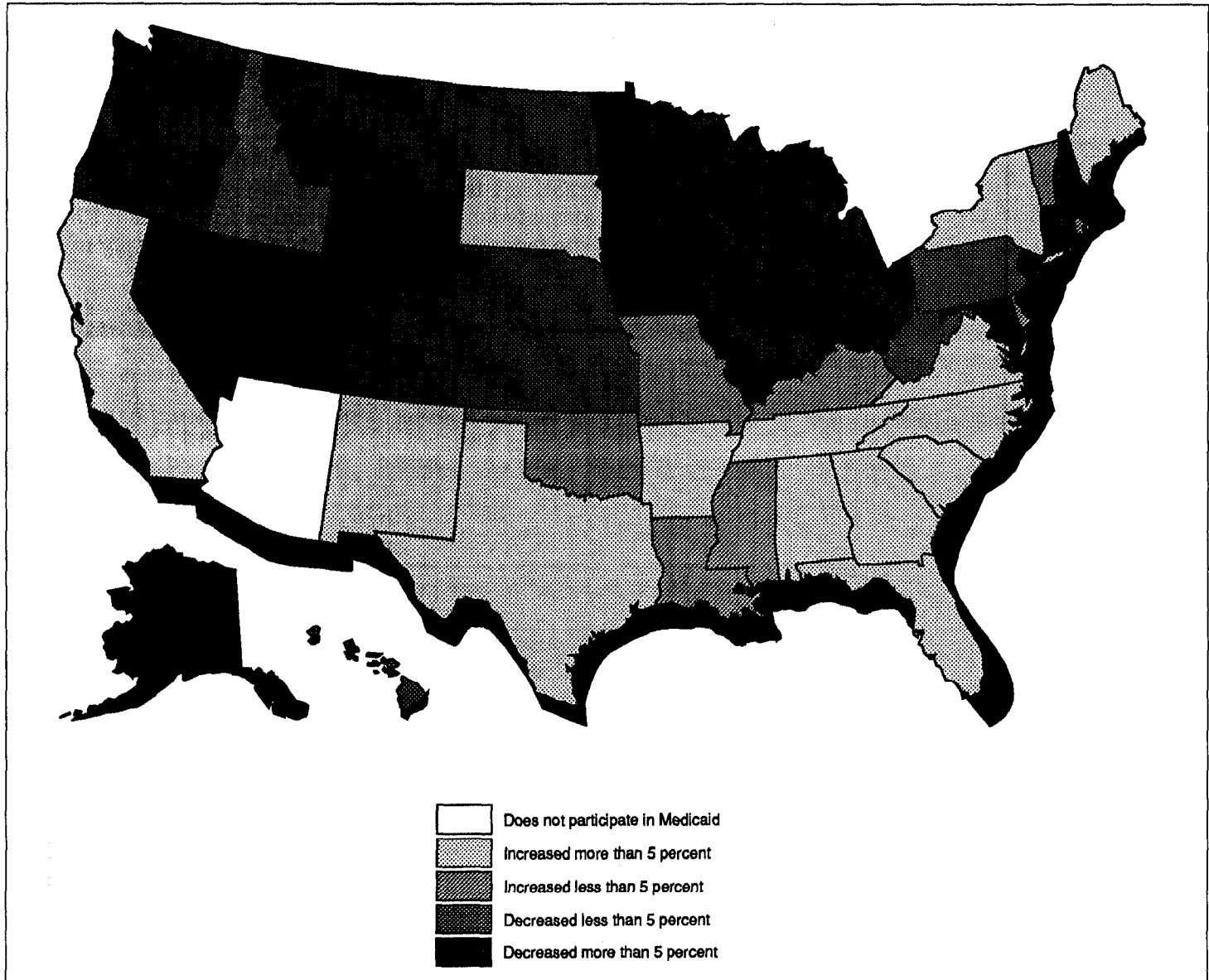
Dollars in millions

Alternative	Percent increase in federal share of Medicaid	Multiplier	Minimum	Number of states that		Shifts in total dollars among states that		Increases in federal funds
				Gain aid	Lose aid	Gain aid	Lose aid	
1	0	.4052	.40	24	26	\$1,455	\$1,455	\$0
2	1.0	.3995	.40	26	24	1,644	1,301	343
3	1.5	.3967	.40	26	24	1,740	1,226	514

Note: Arizona does not participate in Medicaid; the 50th state in our analysis is the District of Columbia.

Alternative 1 would have reallocated \$1.455 billion (4.2 percent) of the \$34.3 billion federal share of Medicaid distributed to states in fiscal year 1989. Of the 50 states, 24 would have gained aid and 26 would have lost aid. Alternatives 2 and 3 would have increased the number of states gaining aid to 26 and reduced the states with losses.

These changes are summarized state-by-state for alternative 1 in figure 1. The overall distribution pattern among states is similar for alternatives 2 and 3. State-by-state calculations for alternatives 1-3 are included in appendixes I-III.

Figure 1: Medicaid Funds Redistributed Under Alternative 1—Budget-Neutral With a 40-Percent Minimum

Alternatives With a 50-Percent Minimum

Alternatives 4-6 follow the same percent increases in Medicaid, but with a 50-percent minimum (see table 2).

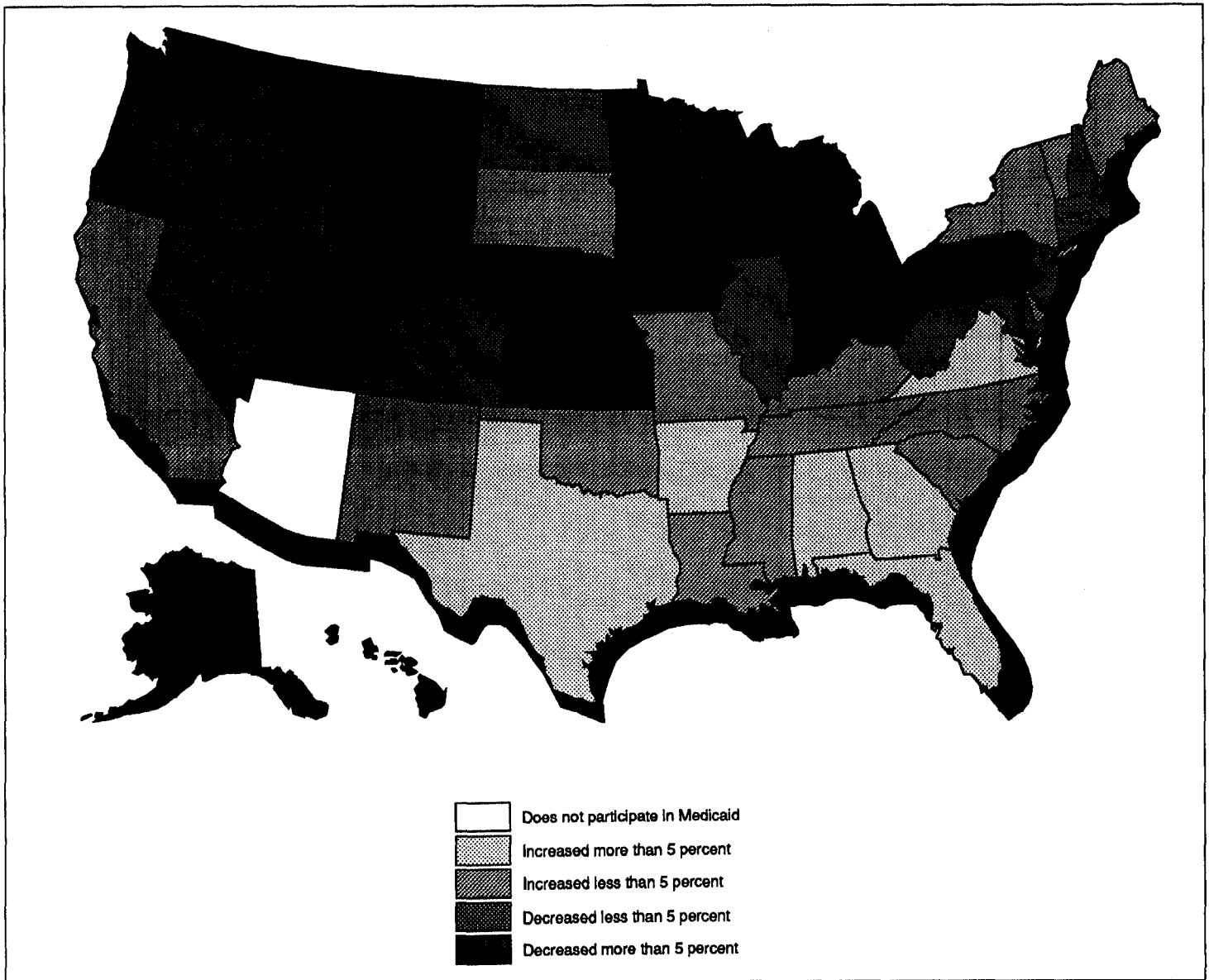
Table 2: Medicaid Formula Alternatives With a 50-Percent Minimum

Dollars in millions

Alternative	Percent increase in federal share of Medicaid	Multiplier	Minimum	Number of states that		Shifts in total dollars among states that		Increases in federal funds
				Gain aid	Lose aid	Gain aid	Lose aid	
4	0	.4207	.50	22	28	\$952	\$952	\$0
5	1.0	.4130	.50	22	28	1,201	858	343
6	1.5	.4095	.50	23	27	1,316	802	514

Note: Arizona does not participate in Medicaid; the 50th state in our analysis is the District of Columbia.

State-by-state details of alternative 4, which is budget-neutral, are summarized in figure 2. The pattern is similar for alternatives 5 and 6; state-by-state figures for alternatives 4-6 are included in appendixes IV-VI.

Figure 2: Medicaid Funds Redistributed Under Alternative 4 — Budget-Neutral With a 50-Percent Minimum

As agreed, because this report does not address matters related to the Department of Health and Human Services' administration of the Medicaid program or related policies, we did not obtain written agency comments.

We are sending copies of this report to the Senate Committee on Finance, the House Committee on Energy and Commerce, and the Secretary of Health and Human Services. We also will make copies available to other interested parties on request.

If you have any questions about this report, please call me on (202) 275-1655. Other major contributors are listed in appendix VII.

Sincerely yours,

A handwritten signature in black ink, reading "Linda G. Morra". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Linda G. Morra
Director, Human Services Policy
and Management Issues

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Abbreviations

FMAP	federal medical assistance percentage
PCI	per capita personal income
TTR	Total Taxable Resources

FMAP and Federal Grant: Current Law Compared to Alternative 1—40-Percent Minimum, Budget-Neutral

Dollars in thousands

State	FMAP (pct)	New FMAP (pct)	1989 Grant	New grant	Difference	Percent difference
Alabama	73.1	77.8	\$410,340	\$437,927	\$27,587	6.72
Alaska	50.0	40.0	74,934	56,438	(18,495)	(24.68)
Arizona ^a
Arkansas	74.1	79.6	400,828	433,449	32,621	8.14
California	50.0	53.3	3,172,763	3,348,291	175,529	5.53
Colorado	50.0	50.2	263,120	260,435	(2,686)	(1.02)
Connecticut	50.0	40.0	554,597	440,617	(113,981)	(20.55)
Delaware	52.6	55.0	63,964	66,463	2,499	3.91
District of Columbia	50.0	56.0	197,955	224,156	26,201	13.24
Florida	55.2	66.9	1,149,518	1,391,967	242,449	21.09
Georgia	62.8	70.8	848,728	955,222	106,494	12.55
Hawaii	54.0	53.0	105,038	102,361	(2,677)	(2.55)
Idaho	72.7	72.1	101,479	101,739	260	0.26
Illinois	50.0	47.4	1,149,617	1,078,780	(70,837)	(6.16)
Indiana	63.7	55.5	793,788	694,089	(99,699)	(12.56)
Iowa	63.0	56.5	355,557	319,576	(35,981)	(10.12)
Kansas	54.9	54.4	221,848	217,563	(4,284)	(1.93)
Kentucky	72.9	75.4	631,639	656,386	24,747	3.92
Louisiana	71.1	73.1	816,955	842,300	25,345	3.10
Maine	66.7	70.6	259,246	275,454	16,208	6.25
Maryland	50.0	44.7	534,916	473,705	(61,211)	(11.44)
Massachusetts	50.0	40.9	1,309,831	1,066,145	(243,687)	(18.60)
Michigan	54.8	51.2	1,289,734	1,199,627	(90,107)	(6.99)
Minnesota	53.1	48.1	728,545	657,125	(71,420)	(9.80)
Mississippi	79.8	83.0	419,512	439,309	19,797	4.72
Missouri	60.0	61.8	524,662	540,008	15,346	2.92
Montana	70.6	67.0	127,102	120,943	(6,159)	(4.85)
Nebraska	60.4	58.5	175,292	169,600	(5,692)	(3.25)
Nevada	50.0	46.9	59,025	54,759	(4,266)	(7.23)
New Hampshire	50.0	45.1	104,116	92,592	(11,523)	(11.07)
New Jersey	50.0	40.0	1,023,853	810,204	(213,648)	(20.87)
New Mexico	71.5	75.5	188,108	198,330	10,222	5.43
New York	50.0	53.8	5,598,899	5,987,097	388,198	6.93
North Carolina	68.0	70.9	858,891	902,250	43,359	5.05
North Dakota	66.5	66.1	125,309	124,891	(417)	(0.33)
Ohio	59.0	53.1	1,670,974	1,500,298	(170,676)	(10.21)
Oklahoma	66.1	68.2	483,969	502,136	18,167	3.75
Oregon	62.4	60.4	306,251	298,449	(7,802)	(2.55)

(continued)

Appendix I
FMAP and Federal Grant: Current Law
Compared to Alternative 1—40-Percent
Minimum, Budget-Neutral

State	FMAP (pct)	New FMAP (pct)	1989 Grant	New grant	Difference	Percent difference
Pennsylvania	57.4	55.9	1,644,288	1,597,228	(47,059)	(2.86)
Rhode Island	55.9	56.4	212,248	214,682	2,435	1.15
South Carolina	73.1	76.5	450,647	476,669	26,022	5.77
South Dakota	71.0	75.8	107,147	113,333	6,187	5.77
Tennessee	70.2	73.2	846,311	889,294	42,983	5.08
Texas	59.0	65.2	1,488,905	1,638,395	149,491	10.04
Utah	73.9	65.6	174,387	156,748	(17,639)	(10.11)
Vermont	63.9	66.4	89,102	92,750	3,648	4.09
Virginia	51.2	56.9	473,997	523,679	49,681	10.48
Washington	53.1	51.3	580,797	556,405	(24,392)	(4.20)
West Virginia	76.1	74.6	279,049	276,571	(2,479)	(0.89)
Wisconsin	59.3	50.8	796,241	680,862	(115,378)	(14.49)
Wyoming	62.6	40.0	36,585	23,308	(13,277)	(36.29)
Unites States			34,280,606	34,280,606	0	0.00

Note: Multiplier = 0.4052 and minimum = .40.

^aDoes not participate in Medicaid.

FMAP and Federal Grant: Current Law Compared to Alternative 2—40-Percent Minimum With a 1-Percent Increase in Federal Funds

Dollars in thousands

State	FMAP (pct)	New FMAP (pct)	1989 Grant	New grant	Difference	Percent difference
Alabama	73.1	78.1	\$410,340	\$439,689	\$29,349	7.15
Alaska	50.0	40.0	74,934	56,438	(18,495)	(24.68)
Arizona ^a
Arkansas	74.1	79.8	400,828	435,017	34,189	8.53
California	50.0	53.9	3,172,763	3,389,595	216,833	6.83
Colorado	50.0	50.9	263,120	264,064	944	0.36
Connecticut	50.0	40.0	554,597	440,617	(113,981)	(20.55)
Delaware	52.6	55.6	63,964	67,229	3,265	5.11
District of Columbia	50.0	56.6	197,955	226,639	28,684	14.49
Florida	55.2	67.4	1,149,518	1,401,638	252,119	21.93
Georgia	62.8	71.2	848,728	960,773	112,045	13.20
Hawaii	54.0	53.7	105,038	103,637	(1,401)	(1.33)
Idaho	72.7	72.5	101,479	102,292	813	0.80
Illinois	50.0	48.2	1,149,617	1,095,609	(54,008)	(4.70)
Indiana	63.7	56.2	793,788	701,909	(91,879)	(11.57)
Iowa	63.0	57.1	355,557	323,040	(32,518)	(9.15)
Kansas	54.9	55.1	221,848	220,125	(1,723)	(0.78)
Kentucky	72.9	75.7	631,639	659,400	7,761	4.40
Louisiana	71.1	73.5	816,955	846,657	29,702	3.64
Maine	66.7	71.0	259,246	277,069	17,823	6.87
Maryland	50.0	45.5	534,916	481,936	(52,980)	(9.90)
Massachusetts	50.0	41.7	1,309,831	1,087,832	(221,999)	(16.95)
Michigan	54.8	51.9	1,289,734	1,215,736	(73,998)	(5.74)
Minnesota	53.1	48.8	728,545	667,111	(61,434)	(8.43)
Mississippi	79.8	83.0	419,512	439,309	19,797	4.72
Missouri	60.0	62.3	524,662	544,709	20,047	3.82
Montana	70.6	67.4	127,102	121,783	(5,320)	(4.19)
Nebraska	60.4	59.1	175,292	171,290	(4,002)	(2.28)
Nevada	50.0	47.6	59,025	55,632	(3,393)	(5.75)
New Hampshire	50.0	45.9	104,116	94,179	(9,936)	(9.54)
New Jersey	50.0	40.0	1,023,853	810,204	(213,648)	(20.87)
New Mexico	71.5	75.9	188,108	199,235	11,126	5.91
New York	50.0	54.5	5,598,899	6,059,309	460,410	8.22
North Carolina	68.0	71.3	858,891	907,460	48,569	5.65
North Dakota	66.5	66.6	125,309	125,792	483	0.39
Ohio	59.0	53.7	1,670,974	1,518,960	(152,014)	(9.10)
Oklahoma	66.1	68.7	483,969	505,426	21,457	4.43
Oregon	62.4	61.0	306,251	301,202	(5,048)	(1.65)

(continued)

Appendix II
FMAP and Federal Grant: Current Law
Compared to Alternative 2—40-Percent
Minimum With a 1-Percent Increase in
Federal Funds

State	FMAP (pct)	New FMAP (pct)	1989 Grant	New grant	Difference	Percent difference
Pennsylvania	57.4	56.5	1,644,288	1,614,963	(29,324)	(1.78)
Rhode Island	55.9	57.0	212,248	217,014	4,767	2.25
South Carolina	73.1	76.9	450,647	478,724	28,076	6.23
South Dakota	71.0	76.1	107,147	113,843	6,697	6.25
Tennessee	70.2	73.6	846,311	893,865	47,553	5.62
Texas	59.0	65.7	1,488,905	1,650,707	161,803	10.87
Utah	73.9	66.1	174,387	157,905	(16,481)	(9.45)
Vermont	63.9	66.9	89,102	93,409	4,307	4.83
Virginia	51.2	57.5	473,997	529,250	55,253	11.66
Washington	53.1	52.0	580,797	563,840	(16,958)	(2.92)
West Virginia	76.1	75.0	279,049	277,895	(1,155)	(0.41)
Wisconsin	59.3	51.5	796,241	690,146	(106,095)	(13.32)
Wyoming	62.6	40.0	36,585	23,308	(13,277)	(36.29)
United States			34,280,606	34,623,412	342,806	1.00

Note: Multiplier = 0.3995 and minimum = .40.

^aDoes not participate in Medicaid.

FMAP and Federal Grant: Current Law Compared to Alternative 3—40-Percent Minimum With a 1.5-Percent Increase in Federal Funds

Dollars in thousands

State	FMAP (pct)	New FMAP (pct)	1989 Grant	New grant	Difference	Percent difference
Alabama	73.1	78.2	\$410,340	\$440,569	\$30,229	7.37
Alaska	50.0	40.0	74,934	56,438	(18,495)	(24.68)
Arizona ^a
Arkansas	74.1	80.0	400,828	435,801	34,973	8.73
California	50.0	54.3	3,172,763	3,410,247	237,485	7.49
Colorado	50.0	51.3	263,120	265,879	2,759	1.05
Connecticut	50.0	40.0	554,597	440,617	(113,981)	(20.55)
Delaware	52.6	55.9	63,964	67,612	3,649	5.70
District of Columbia	50.0	56.9	197,955	227,880	29,925	15.12
Florida	55.2	67.6	1,149,518	1,406,473	256,954	22.35
Georgia	62.8	71.4	848,728	963,549	114,821	13.53
Hawaii	54.0	54.0	105,038	104,276	(763)	(0.73)
Idaho	72.7	72.7	101,479	102,568	1,090	1.07
Illinois	50.0	48.5	1,149,617	1,104,023	(45,594)	(3.97)
Indiana	63.7	56.5	793,788	705,819	(87,968)	(11.08)
Iowa	63.0	57.4	355,557	324,771	(30,786)	(8.66)
Kansas	54.9	55.4	221,848	221,406	(442)	(0.20)
Kentucky	72.9	75.9	631,639	660,907	29,268	4.63
Louisiana	71.1	73.7	816,955	848,836	31,881	3.90
Maine	66.7	71.2	259,246	277,877	18,631	7.19
Maryland	50.0	45.9	534,916	486,052	(48,864)	(9.13)
Massachusetts	50.0	42.1	1,309,831	1,098,676	(211,155)	(16.12)
Michigan	54.8	52.2	1,289,734	1,223,790	(65,944)	(5.11)
Minnesota	53.1	49.2	728,545	672,104	(56,441)	(7.75)
Mississippi	79.8	83.0	419,512	439,309	19,797	4.72
Missouri	60.0	62.6	524,662	547,059	22,397	4.27
Montana	70.6	67.7	127,102	122,202	(4,900)	(3.86)
Nebraska	60.4	59.4	175,292	172,136	(3,157)	(1.80)
Nevada	50.0	48.0	59,025	56,069	(2,956)	(5.01)
New Hampshire	50.0	46.2	104,116	94,972	(9,143)	(8.78)
New Jersey	50.0	40.0	1,023,853	810,204	(213,648)	(20.87)
New Mexico	71.5	76.0	188,108	199,687	11,579	6.16
New York	50.0	54.8	5,598,899	6,095,415	496,516	8.87
North Carolina	68.0	71.5	858,891	910,065	51,174	5.96
North Dakota	66.5	66.8	125,309	126,242	933	0.74
Ohio	59.0	54.1	1,670,974	1,528,291	(142,683)	(8.54)
Oklahoma	66.1	68.9	483,969	507,071	23,102	4.77
Oregon	62.4	61.2	306,251	302,579	(3,672)	(1.20)

(continued)

Appendix III
FMAP and Federal Grant: Current Law
Compared to Alternative 3—40-Percent
Minimum With a 1.5-Percent Increase in
Federal Funds

State	FMAP (pct)	New FMAP (pct)	1989 Grant	New grant	Difference	Percent difference
Pennsylvania	57.4	56.8	1,644,288	1,623,831	(20,457)	(1.24)
Rhode Island	55.9	57.3	212,248	218,181	5,933	2.80
South Carolina	73.1	77.0	450,647	479,751	29,104	6.46
South Dakota	71.0	76.3	107,147	114,098	6,952	6.49
Tennessee	70.2	73.8	846,311	896,150	49,839	5.89
Texas	59.0	65.9	1,488,905	1,656,863	167,959	11.28
Utah	73.9	66.3	174,387	158,484	(15,902)	(9.12)
Vermont	63.9	67.1	89,102	93,739	4,636	5.20
Virginia	51.2	57.8	473,997	532,036	58,039	12.24
Washington	53.1	52.3	580,797	567,557	(13,240)	(2.28)
West Virginia	76.1	75.1	279,049	278,557	(493)	(0.18)
Wisconsin	59.3	51.8	796,241	694,787	(101,453)	(12.74)
Wyoming	62.6	40.0	36,585	23,308	(13,277)	(36.29)
United States			34,280,606	34,794,815	514,209	1.500

Note: Multiplier = 0.3967 and minimum = .40.

^aDoes not participate in Medicaid.

Appendix IV
FMAP and Federal Grant: Current Law
Compared to Alternative 4—50-Percent
Minimum, Budget-Neutral

State	FMAP (pct)	New FMAP (pct)	1989 Grant	New grant	Difference	Percent difference
Pennsylvania	57.4	54.2	1,644,288	1,549,029	(95,259)	(5.79)
Rhode Island	55.9	54.8	212,248	208,344	(3,904)	(1.84)
South Carolina	73.1	75.6	450,647	471,085	20,437	4.54
South Dakota	71.0	74.8	107,147	111,947	4,800	4.48
Tennessee	70.2	72.2	846,311	876,872	30,560	3.61
Texas	59.0	63.9	1,488,905	1,604,933	116,029	7.79
Utah	73.9	64.3	174,387	153,601	(20,786)	(11.92)
Vermont	63.9	65.2	89,102	90,959	1,856	2.08
Virginia	51.2	55.3	473,997	508,536	34,539	7.29
Washington	53.1	50.0	580,797	542,423	(38,374)	(6.61)
West Virginia	76.1	73.6	279,049	272,972	(6,077)	(2.18)
Wisconsin	59.3	50.0	796,241	670,357	(125,883)	(15.81)
Wyoming	62.6	50.0	36,585	29,135	(7,450)	(20.36)
United States			34,280,606	34,280,606	0	0.000

Note: Multiplier = 0.4207 and minimum = .50.

^aDoes not participate in Medicaid.

Appendix V
FMAP and Federal Grant: Current Law
Compared to Alternative 5—50-Percent
Minimum With a 1-Percent Increase in
Federal Funds

State	FMAP (pct)	New FMAP (pct)	1989 Grant	New grant	Difference	Percent difference
Pennsylvania	57.4	55.0	1,644,288	1,572,973	(71,314)	(4.34)
Rhode Island	55.9	55.6	212,248	211,493	(755)	(0.36)
South Carolina	73.1	76.1	450,647	473,859	23,212	5.15
South Dakota	71.0	75.3	107,147	112,636	5,489	5.12
Tennessee	70.2	72.7	846,311	883,043	36,731	4.34
Texas	59.0	64.5	1,488,905	1,621,557	132,652	8.91
Utah	73.9	64.9	174,387	155,164	(19,222)	(11.02)
Vermont	63.9	65.8	89,102	91,848	2,746	3.08
Virginia	51.2	56.1	473,997	516,059	42,061	8.87
Washington	53.1	50.4	580,797	546,237	(34,560)	(5.95)
West Virginia	76.1	74.1	279,049	274,760	(4,289)	(1.54)
Wisconsin	59.3	50.0	796,241	670,357	(125,883)	(15.81)
Wyoming	62.6	50.0	36,585	29,135	(7,450)	(20.36)
United States			34,280,606	34,623,412	342,806	1.000

Note: Multiplier = 0.4130 and minimum = .50.

^aDoes not participate in Medicaid.

FMAP and Federal Grant: Current Law Compared to Alternative 6—50-Percent Minimum With a 1.5-Percent Increase in Federal Funds

Dollars in thousands

State	FMAP (pct)	New FMAP (pct)	1989 Grant	New grant	Difference	Percent difference
Alabama	73.1	77.5	\$410,340	\$436,611	\$26,271	6.40
Alaska	50.0	50.0	74,934	70,548	(4,386)	(5.85)
Arizona ^a
Arkansas	74.1	79.3	400,828	432,277	31,449	7.85
California	50.0	52.8	3,172,763	3,317,412	144,649	4.56
Colorado	50.0	50.0	263,120	259,216	(3,904)	(1.48)
Connecticut	50.0	50.0	554,597	550,771	(3,826)	(0.69)
Delaware	52.6	54.5	63,964	65,890	1,926	3.01
District of Columbia	50.0	55.5	197,955	222,300	24,345	12.30
Florida	55.2	66.6	1,149,518	1,384,738	235,219	20.46
Georgia	62.8	70.5	848,728	951,071	102,343	12.06
Hawaii	54.0	52.5	105,038	101,407	(3,631)	(3.46)
Idaho	72.7	71.8	101,479	101,326	(153)	(0.15)
Illinois	50.0	50.0	1,149,617	1,137,462	(12,156)	(1.06)
Indiana	63.7	55.1	793,788	688,242	(105,546)	(13.30)
Iowa	63.0	56.0	355,555	316,987	(38,571)	(10.85)
Kansas	54.9	54.0	221,848	215,648	(6,200)	(2.79)
Kentucky	72.9	75.1	631,639	654,133	22,494	3.56
Louisiana	71.1	72.8	816,955	839,042	22,087	2.70
Maine	66.7	70.3	259,246	274,247	15,000	5.79
Maryland	50.0	50.0	534,916	529,377	(5,539)	(1.04)
Massachusetts	50.0	50.0	1,309,831	1,303,816	(6,015)	(0.46)
Michigan	54.8	50.7	1,289,734	1,187,584	(102,150)	(7.92)
Minnesota	53.1	50.0	728,545	683,447	(45,098)	(6.19)
Mississippi	79.8	83.0	419,512	439,309	19,797	4.72
Missouri	60.0	61.4	524,662	536,494	11,832	2.26
Montana	70.6	66.6	127,102	120,315	(6,787)	(5.34)
Nebraska	60.4	58.1	175,292	168,336	(6,956)	(3.97)
Nevada	50.0	50.0	59,025	58,422	(603)	(1.02)
New Hampshire	50.0	50.0	104,116	102,687	(1,428)	(1.37)
New Jersey	50.0	50.0	1,023,853	1,012,755	(11,097)	(1.08)
New Mexico	71.5	75.3	188,108	197,654	9,546	5.07
New York	50.0	53.4	5,598,899	5,933,111	334,211	5.97
North Carolina	68.0	70.6	858,891	898,355	39,464	4.59
North Dakota	66.5	65.8	125,309	124,218	(1,091)	(0.87)
Ohio	59.0	52.6	1,670,974	1,486,346	(184,628)	(11.05)
Oklahoma	66.1	67.9	483,969	499,676	15,708	3.25
Oregon	62.4	60.0	306,251	296,391	(9,860)	(3.22)

(continued)

Appendix VI
FMAP and Federal Grant: Current Law
Compared to Alternative 6—50-Percent
Minimum With a 1.5-Percent Increase in
Federal Funds

State	FMAP (pct)	New FMAP (pct)	1989 Grant	New grant	Difference	Percent difference
Pennsylvania	57.4	55.4	1,644,288	1,583,969	(60,318)	(3.67)
Rhode Island	55.9	56.0	212,248	212,939	691	0.33
South Carolina	73.1	76.3	450,647	475,133	24,486	5.43
South Dakota	71.0	75.5	107,147	112,952	5,805	5.42
Tennessee	70.2	73.0	846,311	885,877	39,565	4.68
Texas	59.0	64.8	1,488,905	1,629,190	140,286	9.42
Utah	73.9	65.2	174,387	155,882	(18,505)	(10.61)
Vermont	63.9	66.1	89,102	92,257	3,155	3.54
Virginia	51.2	56.5	473,997	519,513	45,516	9.60
Washington	53.1	50.8	580,797	550,847	(29,951)	(5.16)
West Virginia	76.1	74.3	279,049	275,581	(3,469)	(1.24)
Wisconsin	59.3	50.3	796,241	673,922	(122,319)	(15.36)
Wyoming	62.6	50.0	36,585	29,135	(7,450)	(20.36)
United States			34,280,606	34,794,815	514,209	1.500

Note: Multiplier = 0.4095 and minimum = .50.

^aDoes not participate in Medicaid.

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