

<b>ACF</b> Administration for Children and Families	<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b> <b>Administration for Children, Youth and Families</b> <b>Office of Administration</b>	
	1. <b>Log No.:</b> ACYF-CB-PI-09-03	2. <b>Issuance Date:</b> March 16, 2009
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	4. <b>Key Words:</b> FMAP Rates, Form ACF-IV-E-1, "Title IV-E Foster Care and Adoption Assistance Financial Report"	

## PROGRAM INSTRUCTION

**TO:**

State and Territorial agencies administering or supervising the administration of the Foster Care, Adoption Assistance and Guardianship Assistance programs under Title IV-E of the Social Security Act.

**SUBJECT:**

Federal Medical Assistance Percentage (FMAP) Rates affecting programs under title IV-E of the Social Security Act

**LEGAL and RELATED REFERENCES:**

Section 5001 of Public Law 111-5, the "American Recovery and Reinvestment Act of 2009."

**BACKGROUND:**

The Federal Medical Assistance Percentage (FMAP) rates are published annually in the Federal Register. These rates, which vary by State, are used for title IV-E purposes to compute the Federal share of maintenance assistance payments made under the Foster Care, Adoption Assistance and Guardianship Assistance programs.

Under Public Law 111-5, the FMAP rates are being temporarily increased to provide additional funding to States and Territories. These temporary increases will affect rates for FY 2009, FY 2010 and the first quarter of FY 2011 only (i.e., October 1, 2008 - December 31, 2010).

There are four basic provisions in the law to increase the FMAP rates:

- Hold Harmless: The "regular" FMAP rate for FYs 2009, 2010 and 2011 will be compared to the "regular" rates for the prior one, two or three fiscal years, respectively, and the highest rate of that comparison will be used for FYs 2009, 2010 and the first quarter of FY 2011, respectively;
- Across-the-Board: After the hold harmless provision (above) is applied, an increase of 6.2 percent will be added to the FMAP rate of every State;
- State Unemployment Adjustment: (This provision is not applicable to title IV-E programs.)
- Medicaid Eligibility: The State Medicaid program must meet certain conditions under Section 5001 of PL 111-5 in order for the State to be eligible for the increased FMAP. Title IV-E access to the increased FMAP is also contingent upon the State Medicaid program satisfying these conditions. If the State is currently ineligible because it does not meet these conditions, the State may be retroactively eligible if it comes into compliance prior to July 1, 2009. State child welfare directors are strongly advised to ensure that the State Medicaid program is compliant and eligible for the increased FMAP prior to submitting claims under title IV-E.

The State will receive additional Federal funds for this program for the State's estimates of maintenance assistance payments during the quarter. Under Section 5001(a) and (b) of ARRA, the FMAP rate was

temporarily increased for this program, retroactive to October 1, 2008.

A further provision that currently only applies to Puerto Rico requires it to make an election to accept a smaller increase in the additional FMAP rate (based on increases in unemployment) applicable for title XIX purposes in order to receive the across the board 6.2 percent increase for title IV-E purposes.

**EFFECTIVE DATE:**

This rate change will affect the Federal share of maintenance assistance payments made under the Foster Care, Adoption Assistance or Guardianship Assistance programs on or after October 1, 2008 and through and including December 31, 2010.

**ACTION REQUIRED / FINANCIAL REPORTING:**

- Both the Total amount and Federal share of maintenance assistance payments made by the State under both Foster Care and Adoption Assistance are reported for each program on the respective Line 1, Columns A and B of Part 1 of Form ACF-IV-E-1, the "Title IV-E Foster Care and Adoption Assistance Financial Report."
- This statute was enacted after the submission deadline for these reports for the 1<sup>st</sup> quarter, FY 2009 (quarter ended December 31, 2008). Therefore, States have already reported the total amount of maintenance assistance payments made during the quarter and the Federal share of those payments, calculated using the "regular" FMAP rates.
- The American Recovery and Reinvestment Act of 2009 (ARRA) related awards to the States for the 1st quarter have been based on the submitted estimates and the new FMAP rates. Resubmission of these estimates is not necessary because any differences in the original 1st Quarter awards and the revised 1st Quarter awards can be adjusted in the 3rd Quarter Adjustment (comparing estimates to actuals). The related awards to the States for the Second quarter can be similarly resolved with the 4th Quarter Adjustment rather than resubmission. If needed, States could revise the 2nd quarter estimates for assistance payment.
- States must use the new FMAP rates in submitting estimates and claims for subsequent quarters through December 31, 2010.
- When reporting prior quarter adjustments in Part 2 of Form ACF-IV-E-1 for assistance payments, States should be careful to apply the proper FMAP rate applicable to the FY in which the cost was incurred.
- The new FMAP rates are also applicable to assistance payments under the Guardianship Assistance Program. States should refer to ACYF-CB-PI-08-07 for more information on program and reporting requirements.

**INQUIRIES TO:** Children's Bureau Regional Program Managers or ACF Regional Grants Officers

**ATTACHMENT:**

New Estimated FMAP rates for FY2009 and 2010.

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Maiso Bryant, Ed.D.  
Acting Commissioner

**State Table for the Impact of Increased FMAP on title IV-E Programs**  
(1st and 2nd Quarter Adjustments)

Grantee	Adoption Assistance	Foster Care	State Total
Alabama	\$ 343,988	\$ 346,319	\$ 690,307
Alaska	631,936	220,484	852,420
Arizona^	3,046,955	2,337,580	5,384,535
Arkansas	470,573	447,566	918,139
California*^	19,904,604	13,888,000	33,792,604
Colorado	990,703	1,233,195	2,223,898
Connecticut	1,249,300	1,655,400	2,904,700
Delaware	96,399	94,685	191,084
District of Columbia	573,943	531,429	1,105,372
Florida*	3,324,963	-	3,324,963
Georgia	1,578,345	1,216,906	2,795,251
Hawaii	950,033	205,017	1,155,050
Idaho	163,485	225,329	388,814
Illinois	4,658,928	3,696,068	8,354,996
Indiana	2,277,704	2,498,239	4,775,943
Iowa	1,597,513	539,297	2,136,810
Kansas	650,649	562,830	1,213,479
Kentucky	1,561,588	1,444,147	3,005,735
Louisiana	681,249	1,252,762	1,934,011
Maine^	595,392	335,949	931,341
Maryland	1,359,029	3,522,776	4,881,805
Massachusetts^	1,508,966	1,419,936	2,928,902
Michigan	5,452,132	1,903,103	7,355,235
Minnesota^	979,600	1,005,020	1,984,620
Mississippi	199,688	250,768	450,456
Missouri	1,575,229	778,487	2,353,716
Montana	373,634	285,140	658,774
Nebraska	440,820	372,000	812,820
Nevada	733,669	730,922	1,464,591
New Hampshire	230,502	288,439	518,941
New Jersey	1,558,287	990,919	2,549,206
New Mexico	595,829	245,460	841,289
New York	13,656,926	10,810,258	24,467,184
North Carolina	1,916,541	1,295,059	3,211,600
North Dakota	180,263	287,046	467,309
Ohio	3,192,849	4,813,430	8,006,279
Oklahoma	857,067	892,027	1,749,094
Oregon	1,316,432	747,577	2,064,009
Pennsylvania	3,220,321	9,385,653	12,605,974
Rhode Island	401,294	315,494	716,788
South Carolina^	497,045	494,217	991,262
South Dakota	143,412	121,082	264,494
Tennessee	1,284,550	893,803	2,178,353
Texas	4,077,658	7,541,604	11,619,262
Utah	335,128	214,495	549,623
Vermont^	388,122	393,528	781,650
Virginia	998,699	2,427,225	3,425,924
Washington	1,990,191	1,668,608	3,658,799
West Virginia	589,998	984,774	1,574,772
Wisconsin	2,294,158	933,619	3,227,777
Wyoming	48,353	51,270	99,623
<b>Total</b>	<b>\$ 97,744,642</b>	<b>\$ 88,794,941</b>	<b>\$ 186,539,583</b>

\* California and Florida each have a waiver in place for the Foster Care program which does not directly involve FMAP reimbursement. In California, this impacts 2 major counties, while in Florida, it impacts the entire Foster Care program. Both states have the option to request renegotiation of the terms and conditions of the waivers based on the ARRA change in FMAP rates.

^ Section 5001(f) of ARRA provides a set of special rules regarding States maintaining their eligibility requirements (MOE) in order to qualify for the increased FMAP for Medicaid and Title IV-E; it also provides States which fail to satisfy the requirements an opportunity to reinstate their eligibility standards, methodologies, and procedures by July 1, 2009 and become eligible, should they wish to do so, for the increased FMAP. States affected by these requirements are working with the Department to resolve any outstanding issues.