



## ACCOUNTING POLICY AND PROCEDURES (APP) MANUAL

TOPIC: Section 15 – Fiscal Administration of Grants and Contracts 1.2	EFFECTIVE DATE: 01/05/2016
TITLE: FMAP Rate for CY Contracts	REVISION DATE: 01/05/2016
AUTHORIZED BY: Deputy Director, Bureau of Fiscal Services	

### BACKGROUND

A blended FMAP (Federal Medical Assistance Percentage) rate will be established each calendar year to calculate federal and non-federal shares for calendar year contracts for Medical Assistance (MA) Waiver programs. Use of this blended FMAP rate minimizes recalculations associated with mid-contract changes in the actual FMAP rate and simplifies the management of federal and non-federal (State and local) matching funds.

An actual FMAP is used to calculate the federal Share of expenditures for MA services. This percentage changes each federal fiscal year (FFY), starting October 1 to September 30 of the following year. (For an example FFY16 is the period from 10/1/2015 to 9/30/2016.)

Contracts with counties for administration of the MA Waiver programs are issued all funds (Federal and Non-federal share) on a calendar year basis. The actual FMAP for the last fourth quarter of a calendar year is often not determined by the Centers for Medicare and Medicaid Services (CMS) until after calendar year contracts are issued.

The federal share of MA waiver funding is from sum sufficient (funding with no “cap” or maximum allocation) source. However non-federal shares, which come from state and local funds, are limited and carefully monitored. It is important for state and local entities to know as early as possible how many non-federal findings to budget for each fiscal year. The State fund involved is the MA waiver appropriation for community integration programs (CIP 1A, CIP 1B, and CIP II), Brain Injured Waiver (BIW), and Children Long Term Support (CLTS) programs. These programs are managed by the Division of Long Term Care (DLTC). Therefore, a blended FMAP rate is used to calculate the federal and non-federal shares for contract amounts.

After contracts are issued, counties submit their monthly expenditures report through Community Aid Report System (CARS) for authorized payments. The reimbursement period is normally three months after the expense period. These expense reports are normally due one month after the end of the month for which the report is being submitted. For an example January expenses reports are due by March 1<sup>st</sup>. CARS will reconcile and process payments in March. Then Counties receive their January expense reimbursements in April.

### POLICY

The MA claims for federal shares are determined using the actual FMAP rate in effect for the period being claimed and are made on a cash basis. That means the actual FMAP will be applied for the period when payments are reimbursed to counties.

Since the actual FMAP rate for the fourth quarter of a calendar year is not known, a projected FMAP rate, published by FFIS (Federal Funds Information for States) will be used to determine the blended FMAP.

For an example, the formula for the blended FMAP rate for the 2016 calendar year is:

EXPENSE PERIOD	REIMBURSEMENT PERIOD	FEDERAL FISCAL PERIOD	FMAP RATE	EFFECT MONTHS FOR FFY	CALCULATED BLENDED FMAP
1/1/16 to 6/30/16	4/1/16 to 09/30/16	FFY2016 Actual FMAP	58.23%	6 months	29.12% (58.23%* <sup>6</sup> / <sub>12</sub> )
7/1/16 to 12/31/16	10/1/16 to 3/31/16	FFY2017 Projected FMAP	58.13%	6 months	29.07% (58.13%* <sup>6</sup> / <sub>12</sub> )
Blended FMAP					58.18% (29.12%+29.07%)

## PROCEDURES

The BFS Managerial MA accountant will

- Calculate a blended rate for each calendar year (CY2016 for an example) as follows:  
Blended FMAP Rate for Calendar 2016 = (Actual FMAP FFY2016 \*6/12)  
+ (Projected FMAP FFY2017 \*6/12)  
**OR**  
Blended FMAP Rate for Calendar Year A = (Actual FMAP FFY Year A \*6/12)  
+ (Projected FMAP FFY Year B \*6/12)
- Provide the blended FMAP rate to Lead Accountants and Aids Appropriation accountant for BFS and fiscal contacts for DLTC.
- For all affected MA Waiver profiles, send CARS ([DHSCARSUPLOAD@dhs.wisconsin.gov](mailto:DHSCARSUPLOAD@dhs.wisconsin.gov)) the actual FMAP for FFY year A and FFY year B rate for the period when calendar year A contract reimbursements are made.
- For CY2016 contract as an example, provide the actual FMAP for FFY2016 rate to the CARS prior (in December) to the calendar 2016 contract starts. CARS will use this actual FMAP rate to calculate federal and non-federal reimbursements made from January to September of 2016.
- Then provide actual FMAP for FFY 2017 rate in September for the CY2016 contract. CARS will use this actual FMAP rate to calculate federal and non-federal reimbursements made from October 2016 through September 2017.

## REFERENCES

Fiscal Administration of Grants and Contracts 1.0

## CONTACTS

[BFS Managerial Accounting Section Chief](#)

[Lead Accountant for Medical Assistance](#)

[CARS Accountants](#)