

**TESTIMONY BEFORE THE BUDGET SECTION
FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP)
DECEMBER 15, 2005**

Chairman Svedjan, members of Budget Section, I am Brenda Weisz, Chief Financial Officer for the Department of Human Services. I appear before you to provide information regarding the reduction in the general fund matching requirements for North Dakota's Federal Medical Assistance Percentage (FMAP) for Federal Fiscal Year 2007.

During the 2005 Legislative Session, Legislative Council and the Department notified the Legislature that the Federal Funds Information for States (FFIS) had calculated the preliminary FMAP for Federal Fiscal Year 2007 at 62.37%. This calculation was based upon preliminary data released from the Bureau of Economic Analysis. Traditionally, the final number does not change significantly from the preliminary number; however, in September 2005, FFIS calculated the final FMAP for Federal Fiscal Year 2007 at 64.72%, based upon final data released by the Bureau of Economic Analysis. The increased FMAP is estimated to reduce the general fund matching requirements by approximately \$8.8 million dollars.

The \$8.8 million will be used to assist in maintaining the current level of services in the Medicaid program considering the present utilization trends and client needs.

As directed in Section 11 of the Departments' appropriation bill, we will continue to monitor the Medicaid budget. If changes to programs and services are needed, the Department will seek input from service providers, report to the legislative council, and determine the appropriate action in order to stay within the funding level approved by the 2005 legislative assembly.

I would be happy to answer any questions that you may have.