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**RE: October – December 2023 Phased-Down  
State Contribution Final Per Capita Rates**

May 8, 2023

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) requires that the Centers for Medicare & Medicaid Services (CMS) notify each State, no later than October 15 of each calendar year (CY), of its annual per capita drug payment expenditure amount for the following year. Payments for the phased-down State contribution are made on a monthly basis. These payments are defined by the MMA to be the product of the annual per capita full dual-eligible drug payment amount and the monthly State enrollment of full-benefit dually eligible beneficiaries.

This Informational Bulletin<sup>1</sup> is to notify you of the phased-down State contribution full dual-eligible per capita Medicaid drug payment amount for October–December 2023, as required by the MMA. The October–December 2023 phased-down State contribution per capita rates are shown in Attachment 1. The per capita drug expenditure amounts for October–December 2023 are based on the values for January–September 2023, adjusted for the change in FMAP, if any, between FY 2023 and FY 2024.

On March 18, 2020, the Families First Coronavirus Response Act (P. L. 116-127) was signed into law. Section 6008 of the Act provided for qualifying states a temporary 6.2% increase to the FMAP during the public health emergency (PHE) period. This increase in the FMAP also affected the calculation of the phased-down State contribution per capita rates starting January 1, 2020. This adjustment only applied to states that qualified for the temporary FMAP increase and while the temporary FMAP increase is in effect.

More recently, the Consolidated Appropriations Act, 2023 (P. L. 117-328) was signed into law on December 29, 2022. Section 5131 provides additional temporary FMAP increases for April through December 2023, subject to the states meeting certain requirements with regard to eligibility redeterminations in these quarters. The FMAP increases will be 5% for April through June 2023, 2.5% for July through September 2023, and 1.5% for October through December 2023.

In addition, the American Rescue Plan Act of 2021 (P. L. 117-2) was signed into law on March 11, 2021. Section 9814 of the Act provides a temporary FMAP increase of 5% to states that expanded Medicaid eligibility to all individuals described in section 1902(a)(10)(A)(i)(VIII) under the State plan or waiver of such plan. This FMAP increase would last for 8 calendar year

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<sup>1</sup> For distribution request of this letter please go to [Medicaid.gov](https://www.Medicaid.gov), select “Sign-up for Website and Program Update” then select the “CMCS Informational Bulletin” Subscription topic.

quarters and would only apply for states that expand eligibility after the enactment of the Act. At this time, no states qualify for this FMAP increase.

CMS intends to bill states using the same approach to claiming federal Medicaid funds in these quarters. That is, for billing purposes, CMS will use the same FMAP in place for claiming Medicaid expenditures on the quarterly CMS-64. Please note, as CMS verifies that states meet the requirements for the FMAP increase at the end of each quarter, the effective rates and billing may be subject to change.

For inquiries regarding data reporting and dual eligibility, please contact:

- [MMCO\\_MMA@cms.hhs.gov](mailto:MMCO_MMA@cms.hhs.gov)

For inquiries regarding SPD Billing Procedures and System-related inquiries, please contact:

- [Keith.Johnson@cms.hhs.gov](mailto:Keith.Johnson@cms.hhs.gov) and [Fanta.Bowman@cms.hhs.gov](mailto:Fanta.Bowman@cms.hhs.gov)
- [Phyllis.Martin@cms.hhs.gov](mailto:Phyllis.Martin@cms.hhs.gov) and [MEPBSEDBSSStaff@cms.hhs.gov](mailto:MEPBSEDBSSStaff@cms.hhs.gov)

For inquiries regarding the Part D per capita rate calculations:

- [Christopher.Truffer@cms.hhs.gov](mailto:Christopher.Truffer@cms.hhs.gov)
- [Eric.Eckstein1@cms.hhs.gov](mailto:Eric.Eckstein1@cms.hhs.gov)

Sincerely,

A handwritten signature in black ink that reads "Sara Vitolo". The signature is written in a cursive style and is positioned above a light gray rectangular box.

Sara Vitolo  
Deputy Director  
Center for Medicaid & CHIP Services

## ATTACHMENT 1: Phased-Down State Contribution Rates for October – December 2023

State	State Name	October - December Rates with no FMAP Adjustment	October - December Rates with 1.5% FMAP Adjustment
AL	Alabama	85.06	80.32
AK	Alaska	229.38	222.50
AZ	Arizona	79.42	75.88
AR	Arkansas	81.16	76.81
CA	California	155.08	150.42
CO	Colorado	199.81	193.82
CT	Connecticut	245.82	238.45
DE	Delaware	158.76	152.85
DC	District of Columbia	88.17	83.76
FL	Florida	180.32	173.89
GA	Georgia	121.26	115.92
HI	Hawaii	118.48	114.20
ID	Idaho	133.92	127.29
IL	Illinois	196.48	190.45
IN	Indiana	142.42	136.20
IA	Iowa	152.13	145.77
KS	Kansas	163.53	157.24
KY	Kentucky	112.26	106.30
LA	Louisiana	127.18	121.28
ME	Maine	130.81	125.55
MD	Maryland	209.99	203.69
MA	Massachusetts	164.60	159.66
MI	Michigan	104.39	99.93
MN	Minnesota	196.64	190.56
MS	Mississippi	70.17	65.54
MO	Missouri	168.26	160.82
MT	Montana	145.26	139.22
NE	Nebraska	173.89	167.59
NV	Nevada	149.22	143.52
NH	New Hampshire	233.44	226.44
NJ	New Jersey	251.16	243.62
NM	New Mexico	74.67	70.58
NY	New York	185.19	179.63
NC	North Carolina	140.50	134.31
ND	North Dakota	162.66	157.37
OH	Ohio	178.33	170.83
OK	Oklahoma	99.00	94.42
OR	Oregon	166.89	160.74
PA	Pennsylvania	198.77	192.27
RI	Rhode Island	179.69	173.70
SC	South Carolina	86.37	82.12
SD	South Dakota	184.37	178.23
TN	Tennessee	159.39	152.50
TX	Texas	124.94	120.23
UT	Utah	159.57	152.55
VT	Vermont	165.88	160.13
VA	Virginia	206.32	199.98
WA	Washington	200.20	194.20
WV	West Virginia	96.42	90.83
WI	Wisconsin	163.47	157.24
WY	Wyoming	221.03	214.40

