



HOUSE OF REPRESENTATIVES

TWENTY-SECOND LEGISLATURE

COMMONWEALTH OF THE NORTHERN MARIANAS COMMONWEALTH
LEGISLATURE

P.O. BOX 500586 SAIPAN, MP 96950

DONALD M. MANGLONA
CHAIRPERSON
WAYS AND MEANS COMMITTEE

STANDING COMMITTEE REPORT NO. 22-11

DATE: May 13, 2021

RE: House Bill No. 22-48

The Honorable Edmund S. Villagomez
Speaker of the House of Representatives
Twenty-Second Northern Marianas
Commonwealth Legislature
Capitol Hill
Saipan, MP 96950

Dear Mr. Speaker:

Your Committee on Ways and Means to which House Bill No. 22-48 was referred, entitled:

“To amend Public Law 21-35, “To make appropriations for the operations and activities of the Government of the Commonwealth of the Northern Mariana Islands, its agencies, instrumentalities, and independent programs, and to provide budget authority for government corporations for Fiscal Year 2021”; and for other purposes.”

begs leave to report as follows:

I. RECOMMENDATION:

After considerable discussion, your Committee recommends that H. B. No. 22-48 be passed by the House in the form of House Draft 1.

HOUSE CLERK'S OFFICE
RECEIVED BY *[Signature]*
DATE 5/24/2021 TIME 4:55pm

II. ANALYSIS:

A. Purpose:

The purpose of this Act is to amend Public Law 21-35 and Schedule A to appropriate \$368,934 that the Governor line item vetoed as indicated in Governor's Communication 21-164.

B. Committee Findings:

Your Committee finds that Governor's Communication 21-164 lists several appropriations that the Governor line item vetoed that includes reasons for these actions. With these vetoes, there now exists additional funding in the amount of \$368,934 for appropriation.

Governor's Communication 21-164: Line Item Veto Explanations:

- “(1) The Environmental Quality, Tinian is a federally funded program for which all activities are carried by the program;
- (2) The Micronesian Legal Services is a non-profit organization for which as I have previously indicated in my April budget submission, cannot be funded through the Fiscal Year 2021 budget appropriation;
- (3) Although the Northern Marianas Technical Institute (formerly the Northern Marianas Trades Institute) is now a public entity, no accounts for NOPs were allocated for the agency for FY 2021 as the agency's transitionary period has not been completed and no transition report has been submitted to the Executive and Legislative branches as required by Public Law 20-92.”

Your Committee finds that the purpose of this Act is to amend Public Law 21-35 and Schedule A to appropriate \$368,934 that the Governor line item vetoed. Funds will be appropriated to the CNMI Medicaid Agency, BU# 1980, in the amount of \$107,366; the Medicaid Enterprise Systems, BU# 1981, in the amount of \$74,015; the Commonwealth Healthcare Corporation, BU#1507, in the amount of \$100,000; and the CNMI Medical Referral-Service, BU#1979, in the amount of \$87,552.

In addition, on March 30, 2021, the Chairman and Interim CEO of the Northern Marianas Technical Institute requested that the Legislature expeditiously create a new business unit and allocate the Technical Institute with the required amount of NOP's necessary to commence their operations and fulfill their responsibilities under the Career and Technical Training Act. Therefore, a total of 28 NOP's will be allotted to NMTI and a new business unit shall be established in the amount not less than \$1.00. House Joint Resolution 22-5 authorized the establishment of an additional 28 positions as needed by the Northern Marianas Technical Institute. HJR22-5 was adopted by the House on April 23, 2021 in the form of House Substitute 1 and transmitted to the Senate on April 26, 2021.

The appropriated funds to the CNMI Medicaid Agency and the Medicaid Enterprise Systems will be used to fund the additional NOPs and such full-time equivalent positions and specialized classifications and compensation for specialized health information systems professionals within the Civil Services system and to temporarily hire, as exempt positions, personnel required to successfully plan, design, develop, implement and operate a Compliance and MES Systems. All positions must be funded at least on a 50-50% basis by the Federal and Commonwealth governments. House Joint Resolution 22-4 authorized the establishment of an additional 16 positions as needed by the CMA and partially funded by the CMS program for Compliance and Medicaid Enterprise Systems (MES). HJR 22-4 was adopted by the House on April 23, 2021 and transmitted to the Senate on April 26, 2021.

The appropriated funds to the Commonwealth Healthcare Corporation in the amount of \$100,000 will be used specifically for 1) \$50,000 for Rota inter-island medical referral stipends for patients and escorts and 2) \$50,000 for Tinian inter-island medical referral stipends for patients and escorts.

The appropriated funds to the CNMI Medical Referral-Service will assist all CNMI medical referral patients and escorts, if applicable.

Your Committee agrees with the intent of this Act, therefore, recommends that the House pass House Bill No. 22-48 in the form of House Draft 1.

C. Public Comments/Public Hearing:

Comments were received from the following:

- 1) Ms. Helen C. Sablan, Director, CNMI Medicaid Agency

Director Sablan stated on her April 22, 2021 comments that "Thank you for the opportunity to be here and to provide support for and comments on HJR22-4, HB22-48 and HB22-53. All three measures are important to the Medicaid program and the thousands of Medicaid beneficiaries that are provided health insurance in the CNMI."

Director Sablan also testified in committee meetings in support of HB22-48.

Comments received have been attached as part of this committee report.

D. Legislative History:

House Bill No. 22-48 was introduced by Representative Donald M. Manglona on April 23, 2021 and was subsequently referred to the House Standing Committee on Ways and Means for disposition.

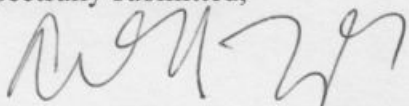
E. Cost Benefit:

The enactment of House Bill No. 22-48, HD1 will not result in additional cost to the CNMI Government. The Governors line item vetoes to Public Law 21-35, as stated in Governor's Communication 21-164, made available additional funding in the amount of \$368,934 for appropriation.

III. CONCLUSION:

The Committee is in accord with the intent and purpose of H. B. No. 22-48, and recommends its passage in the form of House Draft 1.

Respectfully submitted,



Rep. Donald M. Manglona, Chairperson

Rep. Ivan A. Blanco, Vice Chair

Rep. Celina R. Babauta, Member

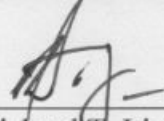


Rep. Sheila J. Babauta, Member

Rep. Vicente C. Camacho, Member

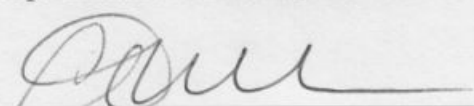


Rep. Richard T. Lizama, Member



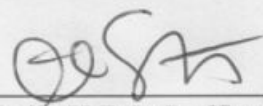
Rep. Edwin K. Propst, Member

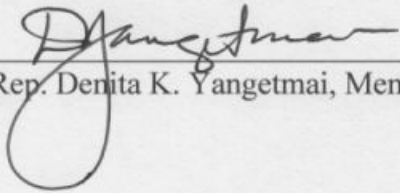
Rep. Christina M.E. Sablan, Member



Rep. Patrick H. San Nicolas, Member

Rep. Leifa H.F.C. Staffler, Member






Rep. Denita K. Yangetmai, Member

Rep. Ralph N. Yumul, Member

Reviewed by:



House Legal Counsel

Attachment: Comments dated April 22, 2021: Helen C. Sablan, Director, CNMI Medicaid Agency



Commonwealth of the Northern Mariana Islands
Office of the Governor
Commonwealth Medicaid Agency

P. Comments
4/23/2021

April 22, 2021

Edmund Villagomez
House Speaker
22nd House of Representatives
P.O. Box 500586
Saipan, MP 96950

Re: Commonwealth Medicaid Agency Comment on HJR 22-4, HB 22-48 and HB 22-53

Good Morning Speaker Villagomez and Members:

Thank you for the opportunity to be here and to provide support for and comments on HJR 22-4, HB 22-48, and HB 22-53. All three measures are important to the Medicaid program and the thousands of Medicaid beneficiaries that are provided health insurance in the Commonwealth of the Northern Mariana Islands.

I would like to thank all the Members of the CNMI House of Representatives for sending your letters of support to the U.S. House of Representatives requesting parity between States and Territories in Medicaid funding. The Commonwealth Medicaid Agency (CMA) appreciates the ongoing concern of the Legislature for the Medicaid program in the Commonwealth of the Northern Mariana Islands (CNMI).

The Commonwealth Medicaid Agency strongly supports and is in dire need for the passage of the House Joint Resolution 22-4. The CMA received approval from the Centers for Medicare and Medicaid Services (CMS), effective October 1, 2020, for positions needed by the Medicaid program for Administration, Compliance, and Medicaid Enterprise Systems. To date, CMA has been unable to fill the positions. As such, we strongly support this measure and urge its approval.

The Commonwealth Medicaid Agency strongly supports HB 22-48. The Bill will provide some additional funding for Medicaid program to be appropriated to Business Unit 1981 - Compliance and Medicaid Enterprise Systems.

The Legislature provided the authority for the Director of the Medicaid program to transfer funds within the three Business Units. Unfortunately, while the authority was provided, no funds were placed into BU 1981. Due to a conflict with another part of the CNMI code, the Legislature needed to initially authorize an amount for the new BU that was established by the Legislature in the CNMI FY 2021 Appropriations Bill. As a result, the Medicaid program requests that any initial additional appropriation for the Medicaid program be placed into BU 1981.

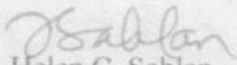
Caller Box 10007, Saipan, MP 96950
Telephone: (1-670) 664-4890 FAX: (1-670) 664-4885
E-mail: helen.sablan@cnmimedicaid.com

Rec'd 4/23/2021
10:05 am
JMD

The Commonwealth Medicaid Agency strongly supports HB 22-53 for the following reasons:

1. Increase the funding in an unspecified amount to be determined by the Legislature for the Medicaid program for FY 2021.
2. Codify the expenditure authority of the Medicaid program to transfer funds among the three Business Units as the Director of the Medicaid.
3. Require the Medicaid Director to report to the Legislature the reasons for any transfer of funds.
4. To help ensure that the Medicaid program is able to recruit and retain qualified personnel for the largest health insurance program in the Commonwealth, the bill would require the Office of Personnel Management (OPM) to undertake a Classification and Compensation Repricing Study for Medicaid Personnel, using the Commonwealth Healthcare Corporation (CHCC) as the reference point for the classification and compensation review of like-positions and compensation.
5. Amend PL 21-28 to enable the Limited Term Employees to remain in place until the classification and compensation study is completed; and,
6. Amend 1 CMC § 8248 to include the Manager of the Medicaid Enterprise Systems to be an excepted position and compensated higher than the current salary cap.

Thank you, Members, for introducing the Joint Resolution and Bills to address the Medicaid program challenges. Should there be any further questions, please do not hesitate in letting us know.



Helen C. Sablan

Director

Commonwealth Medicaid Agency

**TWENTY-SECOND NORTHERN MARIANAS COMMONWEALTH
LEGISLATURE
IN THE HOUSE OF REPRESENTATIVES
APRIL 23, 2021**

First Special Session, 2021

H. B. 22-48 HD1

A BILL FOR AN ACT

To amend Public Law 21-35, "To make appropriations for the operations and activities of the Government of the Commonwealth of the Northern Mariana Islands, its agencies, instrumentalities, and independent programs, and to provide budget authority for government corporations for Fiscal Year 2021"; and for other purposes.

**BE IT ENACTED BY THE 22nd NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE:**

- 1 **Section 1. Findings.** The Legislature finds that Governor's Communication
2 21-164 states:
3 "Schedule A.
4 Below lists the items that I have chosen to line item veto and includes
5 reasons for these actions. With these vetoes, there now exists additional funding in
6 the amount of \$368,934 for appropriation.

Activity/Function	NOP	Personnel	All Others	Utilities	Total
Environmental Quality, Tinian	0	0	\$8,001	0	\$8,001
Micronesian Legal Service	0	0	\$100,000	0	\$100,000
NMTI	0	0	\$260,933	0	\$260,933
TOTAL			\$368,934	0	\$368,934

1 Line Item Veto Explanations:

2 (1) The Environmental Quality, Tinian is a federally funded program for
3 which all activities are carried by the program;

4 (2) The Micronesian Legal Services is a non-profit organization for which
5 as I have previously indicated in my April budget submission, cannot be funded
6 through the Fiscal Year 2021 budget appropriation;

7 (3) Although the Northern Marianas Technical Institute (formerly the
8 Northern Marianas Trades Institute) is now a public entity, no accounts for NOPs
9 were allocated for the agency for FY 2021 as the agency's transitionary period has
10 not been completed and no transition report has been submitted to the Executive
11 and Legislative branches as required by Public Law 20-92."

12 The purpose of this Act is to amend Public Law 21-35 and Schedule A to
13 re-appropriate \$368,934 that the Governor line item vetoed. Funds will be re-
14 appropriated to the CNMI Medicaid Office for BU# 1980 – Medicaid
15 ~~Administration~~ Agency in the amount of \$107,366 and BU# 1981 - ~~Compliance~~
16 ~~and~~-Medicaid Enterprise Systems in the amount of \$74,015 for the CNMI match
17 and to fund an additional 16 NOP's; a total of \$100,000 will be allotted to the
18 Commonwealth Healthcare Corporation specifically for 1) \$50,000 for Rota inter-
19 island medical referral stipends for patients and escorts and 2) \$50,000 for Tinian
20 inter-island medical referral stipends for patients and escorts; and the remaining
21 amount of ~~\$218,934~~ \$87,552 shall be appropriated to the CNMI Medical Referral

1 Office. In addition, on March 30, 2021, the Chairman and Interim CEO of the
2 Northern Marianas Technical Institute requested that the Legislature expeditiously
3 create a new business unit and allocate the Technical Institute with the required
4 amount of NOP's necessary to commence their operations and fulfill their
5 responsibilities under the Career and Technical Training Act. Therefore, a total of
6 ~~40~~ 28 NOP's will be allotted to NMTI and a new business unit shall be established
7 in the amount not less than \$1.00. ~~for the following positions, Chief Executive~~
8 ~~Officer; Human Resource Manager; Finance Department Fiscal Specialist; Finance~~
9 ~~Department Accountant; Facilities Maintenance; Administrative Specialist;~~
10 ~~Director of Instruction; Community Outreach Coordinator; Curriculum~~
11 ~~Coordinator; and Student Services Coordinator.~~

12 **Section 2. Amendments.** Independent Programs in Schedule A of Public
13 Law 21-35 specifically the Medicaid Agency and the CNMI Medical Referral-
14 Services, is hereby amended as reflected in the attached amended Schedule A.

15 **Section 3. Amendments.** Other Programs in Schedule A of Public Law 21-
16 35 specifically the Commonwealth Healthcare Corporation (CHC Subsidy) and the
17 Northern Marianas Technical Institute, is hereby amended as reflected in the
18 attached amended Schedule A.

19 **Section 4. Severability.** If any provisions of this Act or the application of
20 any such provision to any person or circumstance should be held invalid by a court
21 of competent jurisdiction, the remainder of this Act or the application of its

1 provisions to persons or circumstances other than those to which it is held invalid
2 shall not be affected thereby.

3 **Section 5. Savings Clause.** This Act and any repealer contained herein shall
4 not be construed as affecting any existing right acquired under contract or acquired
5 under statutes repealed or under any rule, regulation, or order adopted under the
6 statutes. Repealers contained in this Act shall not affect any proceeding instituted
7 under or pursuant to prior law. The enactment of the Act shall not have the effect
8 of terminating, or in any way modifying, any liability, civil or criminal, which shall
9 already be in existence on the date this Act becomes effective.

10 **Section 6. Effective Date.** This Act shall take effect upon its approval by
11 the Governor, or its becoming law without such approval.

Prefiled: 4/1/2021

Date: 4/1/2021

Introduced By: /s/ Rep. Donald M. Manglona
/s/ Rep. Blas Jonathan "BJ" T. Attao
/s/ Rep. Celina R. Babauta
/s/ Rep. Ivan A. Blanco
/s/ Rep. Christina M.E. Sablan
/s/ Rep. Leila H.F.C. Staffler
/s/ Rep. Edmund S. Villagomez
/s/ Rep. Denita Kaipat Yangetmai

Reviewed for Legal Sufficiency by:
/s/ Joseph L.G. Taijeron, Jr.
House Legal Counsel

CNMI GOVERNMENT
SCHEDULE A

Activity/Function	BU	NOP	NOP	PERSONNEL	PERSONNEL	OPERATIONS	OPERATIONS	UTILITIES	TOTAL	TOTAL
Ayuda Network	1562	0		\$0		\$0		\$0		\$0
Domestic Violence	1568	0		\$0		\$0		\$0		\$0
Marianas Bound-Karidat	1577	0		\$0		\$0		\$0		\$0
25% Retirees' Pension Benefits	New	0		\$1		\$0		\$0		\$1
Joeten/Kiyu Public Library	1592	15		\$217,842		\$2,616		\$43,752		\$264,210
NMIRF-Gov/Lt. Gov. Pension	1601	0		\$99,325		\$993		\$0		\$100,318
Judgment against Government	1623	0		\$0		\$0		\$0		\$0
Medicaid Reimbursement	1951	0		\$0		\$4,630,222		\$0		\$4,630,222
Medical Referral-Services	1979	0		\$0		\$1,264,289	<u>\$1,351,841</u>	\$0		\$1,264,289 <u>\$1,351,841</u>
Medical Referral-Admin	1979A	26		\$795,058		\$93,992		\$10,480		\$899,530
Medicaid Agency	1980	13	<u>29</u>	\$186,140	<u>\$293,506</u>	\$1,861		\$0		\$188,001 <u>\$295,367</u>
NMI Museum of History and Culture	3661	4		\$108,574		\$1,086		\$0		\$109,660
La Fiesta Lease	1532	0		\$0		\$0		\$0		\$0
Commonwealth Cancer Association	N/A	0		\$0		\$50,000		\$0		\$50,000
Northern Marianas Housing Corporation	N/A	0		\$0		\$0		\$0		\$0
Comm. Advocates Rec. Eff (CARE)	N/A	0		\$0		\$0		\$0		\$0
Workman's Compensation Insurance	N/A	0		\$0		\$0		\$0		\$0
NMPASI	N/A	0		\$0		\$0		\$0		\$0
Compliance and Medicaid Enterprise System	<u>1981</u>	<u>NEW</u>	0	\$0	<u>\$74,015</u>	\$0		\$0		\$0 <u>\$74,015</u>
General Fund Deficit Reduction	1595									
Total Independent Programs		123	<u>139</u>	\$11,617,837	<u>\$11,799,218</u>	\$7,418,534	<u>\$7,206,086</u>	\$75,232		\$18,811,603 <u>\$19,080,536</u>
Other Programs: (Transfers Out to Agencies)										
Commonwealth Healthcare Corporation (CHC Subsidy)	1507	0		\$0		\$86,659	<u>\$186,659</u>	\$0		\$86,659 <u>\$186,659</u>
CHCC Medical Referral	NEW	0		\$0		\$0		\$0		\$0
Northern Marianas College (NMC)	1605	149		\$0		\$3,031,510		\$0		\$3,031,510
NMC Board of Regents	1627	0		\$0		\$51,158		\$0		\$51,158
Marianas Visitor's Authority	1606	41		\$526,181		\$1,671,230		\$0		\$2,197,411
Public School System	1607	868		\$0		\$24,117,582		\$0		\$24,117,582
PSS Board	1624	5		\$0		\$153,131		\$0		\$153,131
Coalition of Private Schools	N/A	0		\$0		\$0		\$0		\$0
Micronesian Legal Services	1580	0		\$0		\$100,000		\$0		\$100,000
NMTI	New	0	<u>28</u>	\$0		\$260,933	<u>\$1</u>	\$0		\$260,933 <u>\$1</u>
Total Other Programs		1,063	<u>1,091</u>	\$526,181		\$29,472,203	<u>\$29,211,271</u>	\$0		\$29,998,384 <u>\$29,737,452</u>
General Fund Grand Total		3,191	<u>3,235</u>	\$50,792,497	<u>\$50,973,878</u>	\$44,234,781	<u>\$44,053,400</u>	\$1,448,775		\$96,476,053
Department of Public Lands	1950	141		\$3,509,433		\$968,931		\$77,800		\$4,556,164
General Fund Grand total with DPL		3,332	<u>3,376</u>	\$54,301,930	<u>\$54,483,311</u>	\$45,203,712	<u>\$45,022,331</u>	\$1,526,575		\$101,032,217