

TWENTY-SECOND NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

_____ Session, 2021

H. B. 22- 53

A BILL FOR AN ACT

To appropriate funds for the Commonwealth Medicaid Agency to ensure that federal appropriated and awarded funds may be expended for program administration, reimbursements to medical providers, and for compliance and Medicaid enterprise systems and further enable recruitment, retention, and appropriate classification and compensation of personnel.

1 **BE IT ENACTED BY THE TWENTY-SECOND NORTHERN MARIANAS**
2 **COMMONWEALTH LEGISLATURE:**

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4 **Section 1. Findings and Purpose.** Medicaid is a federal and state/territory
5 program that provides needed health insurance for eligible individuals and families
6 with limited income and resources. In December 2019, the U.S. Congress amended
7 Title XIX to provide two-years of funding equivalent to amounts the
8 Commonwealth of the Northern Mariana (CNMI) would receive as a state.
9 Congress further increased the Federal Medical Assistance Percentage (FMAP)
10 based on the same per-capital income formula applied to all states. CNMI receives
11 the highest percentage of 83% in federal financial participation permitted by Title
12 XIX. In doing so, the U.S. Congress established parity in the financing of the
13 program with all states.

1 At the same time, the U.S. Congress required the CNMI Medicaid program
2 to establish a Program Integrity Lead, make “reasonable and appropriate” progress
3 to submit data to the Transformed Medicaid Statistical Information System (T-
4 MSIS), establish a Medicaid Fraud Control Unit (MFCU), and submit reports
5 directly to the U.S. Congress. The conditions are not unique to the CNMI or other
6 U.S. territories and applicable to all states. The Legislature further understands that
7 there are other requirements that CNMI and other state territories must comply with
8 and further anticipates that should the Commonwealth continue to receive the
9 much-needed levels of funding as all other states, the CNMI will be held to the
10 same standards and requirements of accountability for program administration and
11 compliance applicable to all states.

12 The Legislature, in passing SB 21-28 on March 15, 2020, recognized and
13 anticipated the importance, need, and legal requirements of the Medicaid program
14 to comply, as all states are required, with the provisions of Title XIX of the Social
15 Security Act. The Legislature anticipated these requirements as described in the
16 findings of the bill.

17 The Legislature further recognized, in passing the Fiscal Year 2021 Budget
18 and Appropriations Bill, HB 21-124, SD2, CCSI, on October 1, 2020 (PL 21-35),
19 the chronic financial conditions of the CNMI government and developed a plan to
20 meet the program and financial matching requirements for the Medicaid program.

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1 To balance the program needs for administration and medical
2 reimbursement with the legal requirements of Title XIX, the Legislature established
3 a new Business Unit (BU) entitled Compliance and Medicaid Enterprise Systems
4 (MES) and deemed the three BUs, including the Medicaid Administration (1980)
5 and Medicaid Reimbursement (1951), including the new Compliance and Medicaid
6 Enterprise Systems BU (1981), as a single program budget.

7 The Legislature further provided the authority for the Director of the
8 Medicaid program, as the expending authority, to reallocate the funds appropriated
9 in the Act among the Medicaid BUs. However, the Legislature has found that
10 although the BU for Compliance and MES was established, the Office of
11 Management and Budget (OMB) was unable to reallocate funds to the BU due to
12 Commonwealth Code §7402, Reprogramming Authority that prohibits
13 reprogramming funds when a BU has no existing appropriation. The Legislature,
14 in this bill, provides an appropriation for the Compliance and MES and further
15 clarifies the authority of the Medicaid Director to reprogram funds among the three
16 Medicaid BU categories or any other BU the Legislature may establish.

17 The Legislature further finds that positions for Compliance and MES
18 personnel approved and funded, at minimum, with 50% to 90% federal funds, as
19 approved by the Centers for Medicare and Medicaid Services (CMS), have yet to
20 be recruited and/or filled, resulting in delays to important project activities and
21 timelines. The Legislature further finds that specialized health information

1 technology and Medicaid data analytics personnel required by Medicaid are in short
2 supply and are in need to be established as limited term appointments until the
3 Office of Personnel Management (OPM) is able to undertake a market-based
4 classification and compensation pricing study for Health Information Technology
5 and Data Analytics personnel that, at minimum, reflects the comparable
6 classification and compensation of like positions at the Commonwealth Healthcare
7 Corporation.

8 Accordingly, the purposes of this legislation are to: (a) appropriate
9 additional funding for the Medicaid program to enable federal appropriations made
10 by the U.S. Congress in the Further Consolidated Appropriations Act, FY 2020 and
11 administrative, compliance, and MES funding approved by the Centers for
12 Medicare and Medicaid Services (CMS) in accordance with Title XIX and CMS
13 regulations to be expended; (b) codify the authority of the Medicaid Director to
14 reprogram funding appropriated for the Medicaid program among the established
15 BUs; (c) direct the OPM to undertake a repricing study for eligibility, enrollment,
16 claims processing, and health information technology personnel recruitment and
17 retention based on the like classification and compensation of Commonwealth
18 Healthcare Corporation; and (d) authorize the OPM to hire Medicaid Compliance,
19 Enterprise Systems, data analysis, and program integrity and auditing personnel as
20 limited term appointments until the market-based repricing classification and
21 compensation study is completed.

1 **Section 2. Amendment. Medicaid Appropriations.** The Legislature
2 appropriates an additional increase of \$50,000 U.S. Dollars for Medicaid
3 Reimbursement - Business Unit 1951, \$50,000 U.S. Dollars for Medicaid
4 Administration - Business Unit 1980, and \$200,000 U.S. Dollars for Compliance
5 and Medicaid Enterprise Systems - Business Unit 1981.

6 **Section 3. Repeal and Re-Enactment. Method of Administration.** Title
7 1 Division 2. Article 12, titled, Fiscal Policies and Accountability is hereby repealed
8 and the following is hereby enacted as sections **20201(a)** and **(b)** and **(c)** that shall
9 read as follows:

10 **“20201 Method of Administration.**

11 **(a) Method of Administration.** The Commonwealth Medicaid Agency
12 shall employ methods of administration, as described in the plan in this Article, that
13 are necessary for the proper and efficient operation of the program.

14 **(b) Reprogramming Authority.** Notwithstanding 1 CMC § 7402,
15 Reprogramming Authority, or any other provisions in Commonwealth law, the
16 Director of the Commonwealth Medicaid Agency is the expenditure authority and
17 may reallocate and reprogram funds appropriated by law among the Medicaid
18 Program Business Units (BU), including, but not limited to, the Medicaid
19 Reimbursement – BU 1951, Medicaid Administration BU 1980, Compliance and
20 Medicaid Enterprise Systems (MES) – BU 1981, or any other Medicaid BU
21 established by the Legislature. Funds appropriated to the Medicaid program BUs

1 shall be deemed a single budget reserved for the purposes of the Medicaid program,
2 including Personnel Expenses.

3 **(c) Legislative Reporting.** The CMA shall submit a report to the
4 Legislature 10 working days prior to the commencement of each First Session of
5 the Legislature, beginning with the Twenty-Third Northern Marianas
6 Commonwealth Legislature, that summarizes the amounts and reasons for any
7 transfers among the Medicaid Business Unit categories.”

8 **Section 4. Amendment.** Title 1 Government Division 8 Public
9 Employment Part 1 Civil Service Act Chapter 2 The Office of Personnel
10 Management, is hereby amended by creating new sections 8126, 8127, and 8128
11 that shall read as follows:

12 **“8126. Establish Personnel Positions.** Notwithstanding any other
13 provision in Commonwealth law, the Director of the Office of Personnel
14 Management will establish personnel positions required by the Commonwealth
15 Medicaid Agency for Compliance and Medicaid Enterprise Systems approved by
16 the Centers for Medicare and Medicaid Services. The Compliance and MES
17 positions shall be based on comparable classification and compensation rates of the
18 Commonwealth Healthcare Corporation to ensure recruitment and retention of a
19 qualified MES Systems Manager and shall not exceed more than 35% more than §
20 8248 Government Salary Ceiling except provided for by law.

1 **8127. Classification and Compensation Review.** Notwithstanding any
2 other provision in Commonwealth law, the Office of Personnel Management will
3 undertake a classification and compensation review for classes of personnel
4 required by the Medicaid program, including eligibility and enrollment, medical
5 claims examiners, health information technology, health data analytics, and
6 compliance and program management personnel positions required by the
7 Commonwealth Medicaid Agency and for Compliance and Medicaid Enterprise
8 System positions approved by the Centers for Medicare and Medicaid Services.
9 The classification and compensation for Medicaid positions shall be based on
10 comparable classification and compensation rates of the Commonwealth
11 Healthcare Corporation and private insurers and providers such as federally
12 qualified and funded community health centers. Further, to ensure recruitment and
13 retention of a qualified MES Systems Manager, the salary shall not exceed more
14 than 35% more than § 8248 Government Salary Ceiling except provided for by law.

15 **8128. Develop and Apply Related Work Equivalencies.** In determining
16 the qualifications of applicants and personnel, the Office of Personnel Management
17 will recruit applicants that have demonstrable and specific knowledge, skills, and
18 abilities (KSAs), as applicable, in the classification classes and areas of Medicaid,
19 Medicare or Children's Health Insurance Program administration, health care
20 systems financial operations, health information systems and technologies, and
21 health care data analytics and program management. The OPM will develop and

1 apply related work equivalencies and training with undergraduate academic credit
2 and use structured and graded interviews by qualified individuals to assess
3 applicant substantive knowledge, skills and abilities for positions of Medicaid,
4 Medicare and health insurance.”

5 **Section 5. Repeal and Re-enactment.** Title 1 Government, Division 2
6 Executive Branch, Chapter 1 Office of the Governor, Article 12 Commonwealth
7 Medicaid Agency, Section 20211, titled, “**Standards of Personnel**
8 **Administration**” is hereby repealed and re-enacted to read as follows:

9 “**§ 20211. Standards of Personnel Administration.** The Commonwealth
10 Medicaid Agency and its employees shall be covered by the Civil Service Act,
11 except that new or current limited term appointees may elect not to convert to civil
12 service and retain current compensation until such time as a classification and
13 compensation study is completed by the Office of Personnel Management. Further,
14 for specialized Compliance and Medicaid Enterprise System (MES) positions that
15 require highly specialized knowledge of Medicaid program for compliance, health
16 information technology, and health data analysis positions until such time as a
17 classification and compensation study is completed. The Compliance and MES
18 personnel may be hired as exempt limited term appointments and shall be market
19 based and comparable to the compensation and classification of the Commonwealth
20 Healthcare Corporation to ensure recruitment and retention of qualified Medicaid

1 personnel until such time as a classification and compensation market study for
2 civil service may be completed by the Office of Personnel Management.”

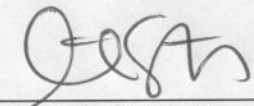
3 **Section 6. Severability.** If any provisions of this Act or the application of
4 any such provision to any person or circumstance should be held invalid by a court
5 of competent jurisdiction, the remainder of this Act or the application of its
6 provisions to persons or circumstances other than those to which it is held invalid
7 shall not be affected thereby.

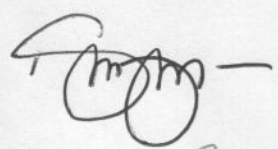
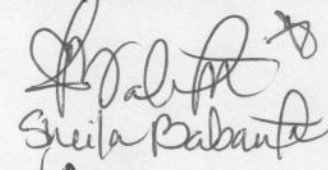
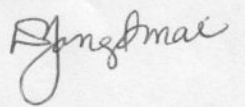
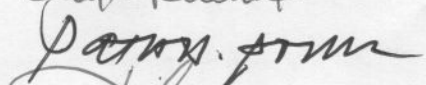
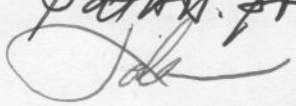
8 **Section 7. Savings Clause.** This Act and any repealer contained herein
9 shall not be construed as affecting any existing right acquired under contract or
10 acquired under statutes repealed or under any rule, regulation, or order adopted
11 under the statutes. Repealers contained in this Act shall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

15 **Section 8. Effective Date.** This Act shall take effect upon its approval by
16 the Governor, or its becoming law without such approval.

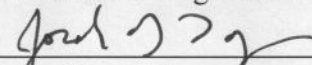
Prefiled: Apr. 12, 2021

Date: 4/12/21

Introduced by: 
Rep. Leila H.F.C. Staffler

Reviewed for Legal Sufficiency by:



House Legal Counsel

Rep Canacho