2021 Citizen-Centric Report

Commonwealth Medicaid Agency (CMA)

Office of the Governor

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Mission:

The mission of the CNMI Medicaid Program is to provide medical assistance to the people of the CNMI that cannot afford medical care and to assure that necessary medical care is available to all eligible low-income individuals.

CMA Highlights

- Continuation of the Presumptive Eligibility Group
- Nearly exhausted all federal funds
- New coverage for COFA citizens of the CNMI
- Over 35k eligible individuals
- making progress in transforming into electronic format (MMIS)
- Significant reduction in use of local funds

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Overview of State Medicaid Agency

The CNMI Medicaid Program was implemented in 1979 and was created as Title XIX of the Social Security Act in 1965. Medicaid is a Federal/State program administer by the States and funded by both the Federal and States revenues, it is an entitlement program for individuals who meets the eligibility criteria. The Federal government establishes and monitors the requirement regarding funding, eligibility standards, quality and the scope of medical services. The Federal and State government shares Medicaid cost. The CNMI Medicaid program has limited funding and is matched by the Federal government at 50%. *The lack of local funds from local sources will not result in lowering the amount, duration and scope or quality of care and services available under the CNMI Medicaid General Waiver and Operational Plan and the Social Security Act.*Revision Pending in US Congress*

The CNMI Medicaid Program was implemented and structured as any other states. In 1989, the CNMI was granted a waiver making eligibility based only on income and resources, creating the Medical Assistance for the Needy Program (MAN). This cause a great impact in CNMI funding due to the capped that is imposed by the Federal government. Only the Territories are capped, unlike the States in which are open-ended.

2. Activities

While the COVID19 Pandemic is still an ongoing threat Nationwide, the US Secretary of the Department of Health and Human Services has continuously extended the Public Health Emergency (PHE) since January 27, 2020 up to present day. Since the determination of the Public Health Emergency, US Congress has passed multiple legislations which included additional funding for the Territories and extension of the Federal Medicaid Assistance Percentage (FMAP) rates. As part of Public Law 116-127 - Family First Coronavirus Response Act, CMA received an additional $2.3 million in federal dollars in FY 2021 along with the continued increased FMAP of 6.2%. Also enacted in US Congress was Public Law 116-260 – Consolidated Appropriations Act, 2021, TITLE II—MEDICAID EXTENDERS AND OTHER POLICIES Sec. 208 MEDICAID COVERAGE FOR CITIZENS OF FREELY ASSOCIATED STATES. PL 116-260 amended a section of Public Law 104–193 to allow citizens from the Federated States of Micronesia (FSM), the Republic of the Marshall Islands (RMI) and the Republic of Palau residing in the United States to avail of federal programs, such as Medicaid. Although it was mandated for the fifty states, territories were given the option to opt-in. CMA Director Helen C. Sablan and Governor Ralph DLG. Torres mutually agreed to have the CNMI opt-in to assist the COFA residents of the CNMI. This was successfully done through a State Plan Amendment which was approved by CMS in May 2021.

Additional activities that occurred in Fiscal Year 2021 are summarized below and reported to US Congress as required by Public Law 116-94:

Program Integrity and Medicaid Fraud Control Unit

The CMA and CNMI are fully committed to program integrity in the Medicaid program. The Medicaid Agency designated a Program Integrity Lead, as required by the Centers for Medicare and Medicaid Services, and has executed an agreement with the CMS Unified Program Integrity Contractor-West (UPIC-West) and continues to make strong efforts as described below.

The CMA has renewed the Joint Operating Agreement with the UPIC-West; provided the Eligibility and Enrollment (E&E) System and data; assisted the Office of the Attorney General with a nation-wide litigation on pharmacy claims; participated in the ongoing special program training for the U.S. Territories on Program Integrity; and, finalized a plan with the UPIC-West for a review of the payments for a major and two other smaller providers. The CMA and the Office of the Attorney General will execute a Memorandum of Agreement by Quarter 3 of FY 2022 for the Medicaid Fraud Control Unit.

Restored and Increased Payments to Health Care Providers

The Commonwealth Medicaid Agency (CMA) exhausted its payments and financial support to CNMI health care providers in two important ways. The increase in payments and financial support, did not result in any increase from a change in the rates for services. However, the CMA was able to increase payments to the Commonwealth Healthcare Corporation (CHCC) substantially because of the Certified Public Expenditure reimbursement methodology that is based on the FMAP. The CMA was able to increase payments from 55% to 89.2% (during the PHE) to the CHCC and resume payments to other private providers that were suspended when the Medicaid funding completely ran out.

Expanded Health Care Provider Network

The CNMI Medicaid program increased access to health care services for Medicaid beneficiaries on the islands of Tinian and Rota. For Tinian, clinical and pharmacy services were expanded, while on Rota, the expansion was limited to pharmacy services.

Due to the Consolidated Appropriations Act of 2020, PL 116-94, US Congress appropriated $60 million dollars for fiscal years 2020 and 2021. The Federal Medical Assistance Percentage (FMAP) was also increased to 83%. However, during the Public Health Emergency (PHE), US Congress also passed PL 116-127 Families First coronavirus Response Act which awarded the CNMI additional funding as well as an increase in FMAP by 6.2%.

Below is a summary of the grants awarded and expended in Fiscal Year 2021:

ADMINISTRATION PAYMENTS	Total Grant Award	TOTAL EXPENDED	% UTILIZED
XIX-ADM	330,000	285,248	86.44%
HIT-IMP	315,841	165,850	52.51%
MMIS	3,399,735	2,727,776	80.23%

REIMURSEMENT PAYMENTS	TOTAL GRANT AWARD	TOTAL EXPENDED	% UTILIZED
XIX-MAP	61,995,000	61,894,277	99.84%
CHIP	18,276,868	11,362,150	62.17%
COFA	6,000,000	9	0.00%
MAP/ARP	2,000,000	40,206	2.01%

As shown in the chart above, CMA maximized the Medicaid Assistance Payment (XIX-MAP) grant and nearly exhausted the appropriated amount. Although the Children's Health Insurance Program (CHIP) Funding was not fully exhausted, the remaining $6.9 million rolled over to Fiscal Year 2022. Due to timing, the COFA and MAP/ARP (COVID Vaccination) grants were received towards the end of Fiscal Year 2021. However, both COFA and MAP/ARP do not have any funding caps which means CMA may request additional funding from CMS should it be needed.

Unfortunately, the administrative grants could not be maximized due to the ongoing issue in hiring additional personnel. Although the funding is available, the Number of Personnel (NOPs) weren't appropriated as requested for Fiscal Year 2021.

4. Future Outlook

How Fiscal Year 2022's Federal Funding Looks Like:

XIX-MAP & XIX-ADM 1108	: $64,010,000
COFA	: $2,750,000**
ARP-COVID VACCINATION	: $1,250,000**
PRESCRIPTION DRUG PROGRAM (EAP)	: $240,834
CHILDREN'S HEALTH INSURANCE PROGRAM (CHIP)	: $18,249,427
CHIP FY 21 ROLL OVER FUNDS	: $6,914,718**

- *COFA & ARP FUNDING HAS NO CAP.*
- *CHIP FY 21 ROLL OVER FUNDS IS AN ESTIMATED VALUE. FINAL RECONCILIATION IS STILL PENDING*
- *ALL AMOUNTS LISTED IS IN FEDERAL DOLLARS.*
- *FMAP RATES VARY BY FUNDING*

The CMA continues to make reasonable and appropriate progress to establishing the business processes and systems to enable data submission to the T-MSIS. The CMA has submitted a Planning Advanced Planning Document (PAPD) Update that has been approved by the CMS to determine whether the software reuse provisions of state E&E and Medicaid claims processing systems can be adapted for use by the Commonwealth. The CMA is examining, with the assistance of the CMS, reuse and/or other state systems and other alternatives (joint operating agreements or cloud systems) to lessen the overall costs of systems. The planned E&E, Medicaid Management Information System (MMIS), and T-MSIS have cost other states hundreds of millions of dollars over 5-year contract periods. The PAPD is the appropriate beginning step in Title XIX since the data submission to the T-MSIS will require Medicaid Enterprise Systems since the current claims processing is completely manual and the current E&E is a legacy system.

The CNMI Medicaid program seeks to expand benefits to include a case management service and podiatry services for chronic conditions including a diabetes center. Additionally, the CMA would like to further include dentures for the adult/elderly and other diagnostic, screening, preventative, rehabilitative and specialty care services if funding and FMAP are permanently addressed.

Additionally, the CNMI Medicaid program would like to establish waiver programs to improve care and services for beneficiaries. However, again, the major challenge for the CNMI is funding of waiver programs. Should the CNMI be treated like all states with the level of funding and FMAP calculated in the same manner as the states, then, the CNMI Medicaid Program will initiate waiver programs to improve care. The CNMI, today, is simply unable to sustain a plan for program improvements because of its constant struggle with the lack of sustainable funding. Each year, the major worry is whether the program will have the finances to continue the services for the Medicaid beneficiaries.

Towards the end of Fiscal Year 2021, H.R. 5376 – Build Back Better Act was introduced which includes permanent funding for the CNMI and other territories. Should H.R. 5376 be signed into law, the CNMI Medicaid Program is expecting over $70 million federal dollars annually with only 17% of the local matching requirement.