2020 Citizen-Centric Report

Commonwealth Medicaid Agency (CMA)

Office of the Governor

1. Program Overview | *2. Activities* | *3. Finances* | *4. Future Outlook*

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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

- SMA is now Commonwealth Medicaid Agency (CMA)
- was awarded $60 million for 2 years
- was awarded an additional $2.1 million from the FFCRA
- local matching reduced significantly
- expands coverage to more beneficiaries
- enrollees increased by 61%
- 94% of expenditures are from federal resources
- making progress in transforming into electronic format (MMIS)
- was approved over $7.5 million to fund various projects
- was finally established as an entity

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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

After a long anticipated wait for US Congress to amend Section 1108(g) of the Social Security Act (42 U.S.C. 1308(g) which caps the CNMI Medicaid Funding at an average of $6.7 million dollars per fiscal year, HR 1865 passed and became Public Law 116-94. PL 116-94 appropriates $60 million dollars for each fiscal year 2020 and 2021 for the CNMI. This law also decreased the CNMI's local matching from 45% to 17%. However, the law specified a number of requirements in order for the CNMI to avail of future increase in funding, all of which have been fulfilled to date:

- ✓ **A Program Integrity Lead must be appointed by October 1st, 2020.** Director Helen Sablan appointed Annie Reyes to this position.
- ✓ **An Annual Report that describes, at the least, how the money was spent and to include how the agency expanded services to Medicaid beneficiaries.** This report is to be submitted to the Chair and Ranking Member of Committee on Energy and Commerce of the House of Representatives and Finance of the Senate. The report was successfully prepared and submitted as required. To obtain a copy of the full report, you can find it on CMA's website: http://medicaid.cnmi.mp or contact the Director Helen Sablan.
- ✓ **The agency was also required to** ***"(A) demonstrate progress in implementing methods, satisfactory to the Secretary, for the collection and reporting of reliable data to the Transformed Medicaid Statistical Information System (T–MSIS) (or a successor system); and "(B) demonstrate progress in establishing a State Medicaid fraud control unit described in section 1903(q)."*** **(PL116-94 FURTHER CONSOLIDATED APPROPRIATIONS ACT, 2020 DECEMBER 20, 2019)** The Commonwealth Medicaid Agency is receiving training from both the UPIC-West and CMS. The CMA has further submitted Medicaid claims data to the UPIC-West and will be finalizing the consultation with CNMI policymakers and prepare legislation or a Memorandum of Understanding to locate the Medicaid Fraud Control Unit in either the Office of the Public Auditor or the Office of the Attorney General. The CMA is making reasonable and appropriate progress to establishing the business processes and system to enable data submission to the T-MSIS. The CMA has submitted a Planning
  Advanced Planning Document (PAPD) to determine whether the software reuse provisions of state Eligibility and Enrollment (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-state and other alternatives to lessen the costs of systems that have cost other states hundreds of millions of dollars over 5-year contract periods. The PAP 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.

In 2011, the CNMI Medicaid Agency was required by the Centers for Medicare & Medicaid Services (CMMS) to be separated from the Commonwealth Health Center Corporation (CHCC) due to conflict of interest purposes. Executive Order 2011-16 was executed to formally transfer the agency under the Governor's Office. However, the agency was never properly established. On May 22, 2020, Governor Ralph DLG. Torres signed CNMI Public Law 21-28 to establish the Commonwealth Medicaid Agency (CMA) and to incorporate Chapter 140-30 of the CNMI Administrative Code. PL 21-28 provides a policy framework for these systems and the recent appropriations Act, PL 21-35, establishes a budget category entitled "Compliance and Medicaid Enterprise Systems" and provides the authority to the Director of the Medicaid program to allocate funding within the CNMI appropriations for the Medicaid program. This provision enables the Director of the Medicaid program to allocate the CNMI appropriations among Administration, Medicaid Reimbursements, and the new budget category called Compliance and Medicaid Enterprise Systems. The CNMI policymakers were unable to fully fund all of the required matching amounts for FY 2021 given the financial impacts of the COVID-19 response on the tourism industry. However, the policymakers have stated their commitment to seek additional sources for matching funds.

While under the Public Health Emergency (PHE) due to the COVID19 Pandemic affecting the nation, US Congress passed Public Law 116-127 Families First Coronavirus Response Act which allowed flexibility for the Medicaid agency to expand services and allotted an additional $3.1 million dollars for the CMA. Under this act, CMA was able to expand services in Telehealth and Pharmacy benefits. In addition, CMA waived patient responsibility under the Spend Down Program as well as continuously cover existing Medicaid beneficiaries whose coverages expired on or after March 1st, 2020 for children ages 0-19 years and adults ages 20 years and over expired on or after March 18th, 2020. With the approval from CMMS, CMA was able to expand Presumptive Eligibility (PE) coverage which is a temporary health coverage, though treated like regular Medicaid. CMA authorized CHCC as the determining agency for this temporary coverage. The PE coverage is typically only valid for no more than 60 days and a maximum of 2-60 day coverage per calendar year, however, due to the Public Health Emergency, it is an ongoing coverage until the end of the month the PHE is declared inexistence by Secretary of Health and Human Services, Alex M. Azar II.

Medicaid's eligibility enrollment increased by 61% or 22,448 in Fiscal Year 2020 from Fiscal Year 2019 in most part due to the economic downfall the CNMI experienced which caused furloughs, layoffs, or reduction in hours. At the end of Fiscal Year 2019, the total Medicaid enrollees was at 14,189. CHCC began enrollment for PE coverage in June 2020 and in the course of 4 months, 8,609 individuals availed of this opportunity. As of September 30, 2020, the total Medicaid enrollees is 36,637.

3. Finances

As with many other agencies within the CNMI, the Commonwealth Medicaid Agency experienced many challenges since the start of the fiscal year. One of the many challenges CMA faced was the Medicaid Cliff through the end of Fiscal Year 2019 and entering Fiscal Year 2020. Although US Congress passed PL 116-59 which allowed for 100% Federal Medical Assitance Percentage (FMAP), there was still uncertainty whether additional funding was to be given to the CNMI's Medicaid Program. CMA entered FY 2020 with only $6.7 million dollars in federal funds to spare both the administrative costs and reimbursement to providers for services provided to the Medicaid Beneficiaries. CMA utilized the entire $6.5 million dollars in reimbursement by the end of the 1st Quarter. Fortunately for the Children's Health Insurance Program (CHIP) funding we were able to reserve the $6.5 million dollars to reimburse providers for the adult group. Finally, on December 19, 2019, US Congress passed PL 116-94 which amended Section 1108(g) of the Social Security Act (42 U.S.C. 1308(g) for Fiscal Years 2020 and 2021. Although the bill was passed in December of 2019, CMA did not receive the grant award until February 2020. This caused CMA to hustle through $53 million dollars in just under 7 months. As a result of PL 116-127 Families First Coronavirus Response Act, CMA was awarded an additional $3.1 million dollars and a temporary lift in FMAP during the Public Health Emergency of an additional 6.2% increase. CNMI's local matching requirement reduced from 17% to 10.8%.

The table below summarizes how CMA spent both local and federal funds:

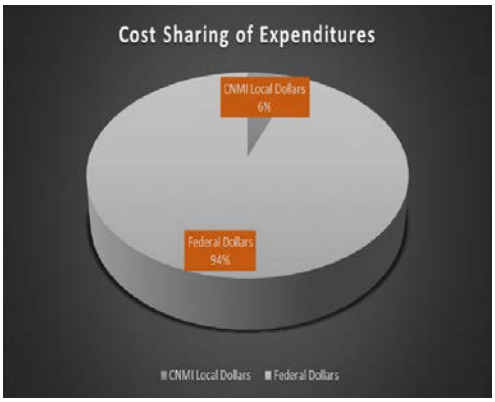
FY 20 Budget vs. Expenses

Program	Total Grant Award	Federal Medical Assistance Percentages (FMAP)	Local Matching Rate	Total Expended	Local Share	Federal Share	Unspent Federal Grants	Note	Total Local Expended	Local Appropriation	Exceeded Local Appropriation by:
XIX-ADM (Administration)**	216,000	50%	50%	364,224	182,112	182,112	33,888				
HIT-IMP (Administration)**	319,213	90%	10%	213,193	21,319	191,874	127,339				
MMIS (Administration)**	403,199	90%	10%	60,616	6,062	54,554					
		100%	0%	298,466	-	298,466	50,179		209,492.89	146,901.00	62,591.89
XIX-MAP	54,482,556	89.2%	10.8%	30,674,470	3,312,843	27,361,627					-
	1,851,852	100%	0%	1,851,852	-	1,851,852					-
	6,549,592	100%	0%	6,549,592		6,549,592	27,120,929				
EAP	196,087	100%	0%	196,087	-	196,087	-				-
ACA 1323	2,560,212	100%	0%	2,560,212	-	2,560,212	-				-
CHIP	5,576,251	100%	0%	5,576,251	-	5,576,251	-				-
	11,824,563	100%	0%	10,840,624	-	10,840,624	983,939	*Rolls over to FY21*	3,312,842.73	3,819,000.00	(506,157.27)
Totals:	**83,979,525**			**59,185,586**	**3,522,336**	**55,663,251**	**28,316,274**				
							(983,939)	*Total Roll Over*			
							$ 27,332,335.15				

** 200k Waiver amounts each fiscal year allows for 100% FMAP. Computed as 200,000 divided by local Matching rate.*

***Administration Expended & Unspent Values are not final and do not include liquidation period and/or encumbered expenses.*

As shown on the table above, CMA was unable to successfully maximize the federal funds appropriated to the CNMI for a number of reasons; 1) insufficient local match, 2) due to the executive order to shut down the CNMI Government because of the global pandemic COVID19, there was a delay in provider reimbursements and 3) the additional personnel we had requested through the legislature was not approved.



With the many obstacles Fiscal Year 2020 brought upon the CNMI, the Commonwealth Medicaid Agency was able to reimburse most of its providers and closed out the fiscal year with a little under $2 million dollars in unpaid claims. Although it seems like too much, prior years CMA closed out fiscal years with over $5 million dollars of unpaid debt.

4. Future Outlook

How Fiscal Year 2021's Funding Looks Like

XIX-MAP & XIX-ADM 1108 Funding	: $60,000,000
FFCRA Funding	: $2,109,000
CHILDREN'S HEALTH INSURANCE PROGRAM (CHIP)	: $13,629,384
CHIP FY 20 ROLL OVER FUNDS	: $983,939

**Administrative payments are locked at 50/50 matching*
**Matching requirements for reimbursement is temporary during the Public Health Emergency*
**First $1,333,333 CHIP funds is matched at 100% federal (while under PHE, all CHIP funds 100%)*
**First $1,176,470 MAP funds is matched at 100% federal (while under PHE, $1,851,851 funds 100%)*

REGULAR		DURING PHE	
MAP	CHIP	MAP	CHIP
LOCAL/FEDERAL			
17%/83%	15%/85%	10.8%/89.2%	100%

Next Steps for the Medicaid Management Information System

The Commonwealth Medicaid Agency received its approval letter to fund and support the following projects under the Medicaid Enterprise System (MES) and Compliance Program at 90/10:

1. Eligibility and Enrollment/Medicaid Management Information System/Transformed Medicaid Statistical Information System (E&E/MMIS/T-MSIS)
   - Improve efficiency and accuracy in the processing of Medicaid E&E and Medicaid Claims and Provider Payments through effective E&E, MMIS, and Medicaid Enterprise Systems (MES);
   - Generate accurate and timely data for submission to the T-MSIS and joint CMS and CNMI Program Integrity (PI) reviewers; and,
   - Use accurate data to improve program and financial administration, management, and reporting.
   - Conduct a "reuse" scan to determine whether there are opportunities for the CMA to lessen the cost of the planning, implementation and operation of E&E and MMIS systems by using systems and software and other system documentation developed with federal funds.

2. Decision Support System/Data Warehouse (DSS/DW)
   - Improve the accuracy of claims review and Medicaid program administration, planning, management, and evaluation;
   - Improve the ease and accuracy of Medicaid enrollment and eligibility determination;
   - Ensure the quality care provided to and patient safety for Medicaid beneficiaries;
   - Understand and advance the overall population health of the Medicaid beneficiaries;
   - Improve access to care through identification of gaps in services;
   - Advance the integration of health and social services for a more patient and beneficiary-focused approach; and,
   - Lessen the cost curve of health care.

3. Health Information Technology (HIT)
   - Develop an accessible, affordable and reliable HIT/EHR Network
   - Increase widespread adoption and meaningful use of Health Information Technology
   - Improve framework for public health surveillance, needs assessment, reporting, and clinical care
   - Sustain strong governance and cooperation of HIT initiatives

MES & Compliance Program				
Federal Fiscal Year	DSS/DW	E&E/MMIS/T-MSIS	HIT	Total
FFY 2021	**$ 2,181,450**	**$ 1,218,285**	**$ 364,887**	**$ 3,764,622**
FFY 2022	$ 1,910,226	$ 676,379	$ 532,401	$ 3,119,006

The CNMI Public Law 21-28, passed on May 22, 2020, establishes the Commonwealth Medicaid Program and recognizes the need for MES and Compliance Program to improve the accuracy and efficiency of claims processing, use of data for program integrity, and ability to submit data to the T-MSIS. In addition, it recognizes the importance of a Medicaid claims data warehouse to improve care and services to beneficiaries; better understand the quality and cost of services, health conditions of beneficiaries, and improve program and financial administration, management and reporting.