

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.

Public Health Emergency (PHE)
 Expected to End in **April 2023**

Cap Increased, Cap Exhausted!
 Over \$18 million ARPA funds expended

47,000
members

Lacking Sustainability

Status Quo

Another
Medicaid Funding Cliff?
 December 16, 2022

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, administered by the State and funded by both the Federal and State’s revenues. It is an entitlement program for individuals who meet the eligibility criteria. The Federal government regulates and monitors funding, eligibility standards, quality and the scope of medical services.

The CNMI Medicaid Program was implemented and structured as any other state. 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).

2. Activities



The Commonwealth Medicaid Agency (CMA) was a target of a cyberattack on October 4, 2021 which adversely impacted its ability to conduct eligibility determination and renewals for 6 business days. Upon discovery of the incident, CMA immediately contacted and met with the Office of the Governor along with other key stakeholders including the Attorney General's Office (AGO), Homeland Security Emergency Management (HSEM), and Office of Information Technology (OIT) to discuss next steps on the restorations of business operations and services.

Subject Matter Experts through the HSEM partnership network participated in the response and recovery efforts and provided guidance on the cyber incident, specifically: events leading to the attack, method of the attack, whether data was compromised, and corrective actions to prevent similar incidents in the future.

Based on the data compiled from the cyber incident, the outcomes were as follow:

- No data leakage
- Assets involved in perpetrating the attack were shutdown
- No residual imprints of the ransomware were discovered on CMA assets
- Hardening of network security and infrastructure

Today, CMA remains vigilant, is instituting best practices based on industry standards and is working collaboratively with the OIT to curtail another cyber incident.

The Commonwealth Medicaid Agency (CMA) ended Fiscal Year 2022 with approximately 23,214 members enrolled in the various groups Medicaid has to offer which is inclusive of the continued enrollment. With the continued extension of the Public Health Emergency (PHE), CMA serves approximately 24,000 individuals under the Presumptive Eligibility group (as of May 2022). CMA opted into this temporary coverage during the onset of the COVID19 Pandemic in 2020 and remains for the duration of the Public Health Emergency declared by the US Secretary of Department of Health and Human Services. This coverage group receives the same benefits as Regular Medicaid.

The significant increase in members caused a setback in the operations of the agency and a plea to the legislature to increase the NOPs which was very much needed and succeeded. CMA was able to hire five (5) individuals to alleviate the overwhelming workload each staff had to endure to meet the demands of the increase of members and provider payments. CMA also availed of additional help through the Governor's ARPA staff.

Additional activities within the Commonwealth Medicaid Agency include State Plan Amendments to streamline the program to meet both federal regulations and program integrity efforts. As part of CMA's efforts to combat Fraud, Waste and Abuse, changes in operations have been implemented. However, the official establishment of a Program Integrity Unit is underway. CMA once again renewed the Joint Operating Agreement with the CMS Unified Program Integrity Contractor-West (UPIC-West) which has been assisting in training and guidance in establishing such unit.

The CMA continues to make reasonable and appropriate progress in establishing the business processes and systems to enable data submission to the T-MSIS and to support the requirements of CNMI PL 21-28, US PL 116-94 and other federal requirements under Title XIX.

In FY 2022, CMA together with our Technical and Research Partners (TARP) has engaged in several conversations with Guam, Arizona-Hawaii and Wyoming in identifying what has been developed and/or modified into their E&E and MMIS systems using federal funds to be leveraged for system or software reuse under 45 CFR §95.617 Software and Ownership Rights.

The CMA and TARP will continue efforts in identifying an E&E, MMIS, and the submission to T-MSIS related requirements that will include business requirements, functional requirements, and technical requirements for the respective systems and/or modules to support its on-going activities.

3. Finances

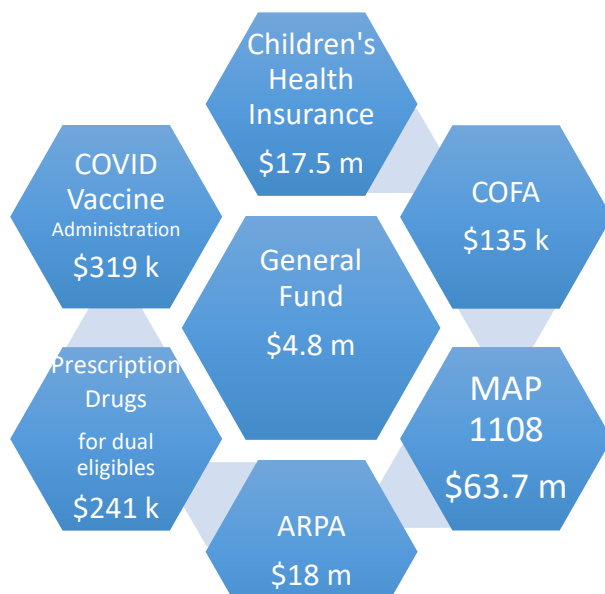
Historically, the CNMI was challenged with both sustainable income and local matching issues. However, in December 2019, US Congress passed PL 116-94 Further Consolidated Appropriations Act, 2020 which amended Section 1108 of the Social Security Act to increase the statutory caps imposed in the territories. CNMI's statutory cap increased from an estimated \$7m to \$60m and is only set to increase each year. The Section 1108 funding is Medicaid's primary source of federal funds to provide services to its overall population. Although it was great the caps were increased, CMA still struggles to expand services to its members with the fear of reverting back to Original Medicaid. Should the FMAP expire in December of this year, the CNMI local government would have to fund the Medicaid Program with 45% of the total cost of services; this would be detrimental not only to the local government, but also to its Medicaid Program along with members requiring care outside of the CNMI via Medical Referral.

After multiple Continued Resolutions passed by US Congress, CNMI along with the rest of the territories availed of the increased Federal Medical Assistance Percentage (FMAP) steering away from the 45% local match. Due to these continued resolutions, CNMI has only been required to match 17%; 10.8% during the Public Health Emergency. However, this statute is set to expire on December 16, 2022. Without action from US Congress, the CNMI Government would need to fund the Medicaid Agency over \$26 million in general funds in Fiscal Year 2023 to maintain benefits for all its coverage groups.

Due to recurring uncertainties, the Commonwealth Medicaid Agency must maintain status quo in order to continue providing medically necessary services and its current limited optional benefits to its members. CNMI's Medicaid Agency along with other US Territories are working together to address US Congress with these issues and fight for Health Equity and avoid once again, *The Medicaid Cliff!*

Medicaid's Expenses in Fiscal Year 2022

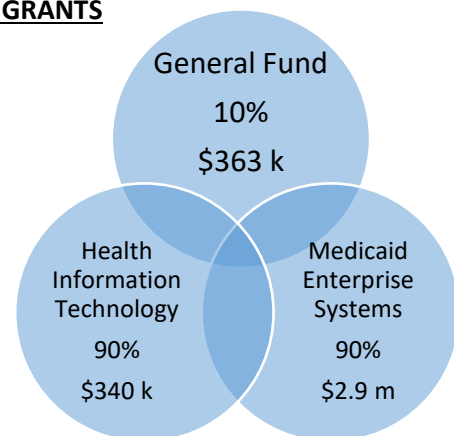
REIMBURSEMENT



ADMINISTRATION



PROJECT GRANTS



- Figures in shares (federal; fs, local; ls)
- Reimbursement:
 - MAP, COFA, Prescription Drugs = 89.2% fs/10.8% ls
 - COVID Vaccine Administration = 100% fs
 - Children's Health Insurance Program = 85% fs/15% ls
 - General Fund = cumulative local matching shares

NOTE:
Pending final reconciliation
Excludes liquidation period



Medicaid Enterprise Systems Project – “Making Reasonable and Appropriate Progress”

The Commonwealth Medicaid Agency (CMA) and Technical and Research Partners (TARP) will continue efforts in identifying an Eligibility & Enrollment (E&E), Medicaid Management Information System (MMIS), and the submission to Transformed Medicaid Statistical Information System (T-MSIS) related requirements that will include business requirements, functional requirements, and technical requirements for the respective systems and/or modules to support its on-going activities.

Eligibility & Enrollment (E&E) / Medicaid Management Information System (MMIS) / Transformed Medicaid Statistical Information System (T-MSIS) (EMT) Project:

The CMA continues to engage with multiple states to identify what has been developed and/or modified into their E&E and MMIS systems using federal funds to determine whether there are viable and feasible alternatives for CMA to reuse existing MES modules that may be used to lessen the overall cost.

This project includes specific goals of the CMA to improve the timeliness, efficiency, and accuracy of E&E and MMIS processes; generate accurate and timely data for submission to the T-MSIS and joint CMS and CNMI Program Integrity (PI) reviews and MFCU; and use accurate data to improve program and financial administration, management and reporting.

Decision Support System and Data Warehouse (DSS/DW) Project:

The DSS/DW Project will help improve program administration, management and the use of data to better understand:

- population health conditions, needs and services
- cost of care and services provided to our Medicaid members
- how to improve the overall health of members
- how to assess the quality of care and outcomes of services provided
- how to address access to care and other program management concerns

The current goal is to establish a secure and scalable DSS/DW that will enable providers to submit electronic claims and improve the accuracy and timeliness of claims processing.

This includes specific focus on the following outcomes:

1. Improve reporting on Medicaid data
2. Improve data collection and streamlining processes for monitoring cost, quality and reporting
3. Improve data quality by having a system that performs data quality checks on inbound data (formatting, completeness, duplication, etc.)

Health Information Exchange (HIE) Project:

The CMA plans to continue to implement an HIT program, including the continuation of a Medicaid Electronic Health Record (EHR) Incentive Program and a Health Information Exchange (HIE), as well as other Medicaid Enterprise Systems (MES). The first phase of the HIE’s Design, Development and Implementation (DDI) activities will include Engagement with stakeholders on policy levers, initiate a small scale HIE/Public Health Record (PHR)/Community Health Record (CHR) to test system capabilities, functionality and interoperability including participation and sustainability planning, identifying options for regional partnership for HIE and procuring a cost-effective and scalable HIE/PHR/CHR system.

The specific focus is to enable data exchange and Electronic Health Record (EHR) interoperability by establishing an HIE for standardized EHR data, improving access to clinical data to improve care coordination, health outcomes, and quality of care, and interfacing with national/or regional HIEs to improve care coordination.