

LOURDES A. LEON GUERRERO
GOVERNOR



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LT. GOVERNOR

UFISINAN I MAGA'HĀGAN GUĀHAN
OFFICE OF THE GOVERNOR OF GUAM

March 17, 2021

The Honorable Frank Pallone
Chairman
Committee on Energy and Commerce

The Honorable Cathy McMorris
Ranking Member
Committee on Energy and Commerce

The Honorable Anna Eshoo
Chairwoman
Subcommittee on Health

The Honorable Brett Guthrie
Ranking Member
Subcommittee on Health

RE: United States House of Representatives, Committee on Energy and Commerce, Subcommittee on Health Hearing – “Averting a Crisis: Protecting Access to Health Care in the US Territories”

Written Testimony of Governor Lourdes A. Leon Guerrero for the Record

At the outset, I would like to express my thanks, on behalf of the people of Guam, for the passage of the Further Consolidated Appropriations Act, 2020 (Public Law 116-94)¹ which has allowed for an increase in the Medicaid cap from \$18.38 Million to \$127 Million and increased the Federal Medical Assistance Percentage (FMAP) from 55% to 83%. There was an immediate impact to the Medicaid program on the island.

Historically, the Guam Medicaid Program, and those of the other territories, has operated as a block grant requiring local matching funds at the rate of 45%. The U.S. territories administer the Medicaid Program under federal regulations that are different from those applicable to the fifty (50) states and the District of Columbia. The U.S. territories' federal matching rate is fixed in statute, unlike the statutory formula for U.S. states. However, the FMAP for the 50 states and DC varies by states per capita income, which ranges from 50% to 83%. In addition, the Medicaid programs in the U.S. territories are subject to annual federal capped funding, unlike the states and DC that are open-ended. By historically requiring a relatively high match rate and the application of a cap, the result has been a program that has been plagued with long delays in payments to providers, limitations on the services provided, and the ability to expand the health provider network.

In the short time that this act has been in effect, the Guam Medicaid program has been able to make significant strides in critical areas. The program has been able to process all healthcare claims timely and provide payments to providers regularly as there are no delays resulting from

¹ See Division N - Health and Human Services Extenders, Title 1 Health and Human Services Extenders, Subtitle B- Medicaid Provisions Public Law 116-94 113 STAT.3108.

the dependency of available local resources for the match. Consequently, there has been an increase in access to health care services as providers are more willing to accept Medicaid patients. Moreover, the increased funding provided Guam the opportunity to increase the Medicaid Program income eligibility guidelines to the maximum permitted by Title XIX and reduce the number of the uninsured population. These actions are always reviewed by the Centers for Medicare and Medicaid Services (CMS), the federal administrators of the program. It is our hope that Congress will see fit to permanize this temporary situation and provide equitable access to health care for the citizens of Guam and the other territories in the same way it is available to the States and the District of Columbia.

The timely processing of claims also reduces the opportunity for fraud and disallowed costs resulting from lost or misplaced supporting documentation. The requirement for the designation of a Program Integrity Lead within the Medicaid program has been met. Further, I have designated the Director of the Department of Administration to establish a Medicaid Fraud Control Unit (MFCU). Having the MFCU completely separate and outside of the Department of Public Health and Social Services that administers the Guam Medicaid Program underscores our commitment to comply with all federal regulations and vigilantly guard against fraud, waste and abuse. This unit will be staffed by auditors and accountants who will receive specialized training by the CMS and the Unified Program Integrity Contractor (UPIC-West) to carry out the applicable federal mandates.

Our Guam Medicaid Program has also been working with the CMS to meet the requirement in P.L. 116-94 to submit data to the Transformed Medicaid Statistical Information System (T-MSIS). We fully appreciate the importance of this reporting requirement and will make reasonable and timely progress in this regard. Specifically, the Guam Medicaid program meets with the CMS on a weekly basis and will be preparing an Implementation Advanced Planning Document (IAPD) to initiate the changes that are required to our current system to be able to submit data to the T-MSIS.

The Medicaid program, additionally, is in the process of planning a claims and data warehouse and decision support system to enable the examination of program costs and will be working with the CMS to plan and implement a health information exchange so that Medicaid patient care and coordination, patient access to information, and patient safety can be improved.

Our administration is looking forward to the ability to expand the Guam Medicaid Program. The section 1108 budget could never meet the needs of the Medicaid program when coupled with the match. However, we are finally able to actively explore the opportunities available in other states to expand services and to reimburse other health care providers in the public sector to receive reimbursement for the cost of services provided to Medicaid beneficiaries. The negative impact on our program, and those of the other territories, is that if this temporary section 1108 funding is not permanized through treating the territories the same as the states, then, our efforts to improve care to the U.S. citizens of Guam cannot be realized.

By making the situation permanent we will be able to effectively plan for providing increased services to our most vulnerable population. We would be able to provide the type of

benefits that Medicaid recipients throughout the Nation currently enjoy like access to long-term health care, outpatient physical therapy, more preventative care, school-based health care, more prescriptions drug coverage among others. Without a permanent solution and with the inclusion of Compact Migrants to the eligibility pool, we will be forced to reduce the already limited covered benefits. This will have the opposite effect of the intended outcome of the Medicaid program.

The United States Citizens who call Guam home deserve to be treated equitably in all respects, most especially when it comes to access to health care. Our ability to provide quality health care to the poorest among us, to provide benefits aimed to prevent repeat hospitalization, to provide early intervention, to provide a better quality of life overall through increased access to health care hinges largely on providing a permanent solution to the Medicaid funding issues facing Guam and all of the territories.

I wish to thank this Committee, its leadership, the Members of Congress who represent the Insular Areas who have championed this effort, most especially Congressmen Sablan and San Nicolas who have worked closely with us up to this point and whom we know we can count on to continue these efforts on behalf of our people.

Senseramente,



LOURDES A. LEON GUERRERO

Governor of Guam