

**Responses to Questions for the Record from Rep. Gregorio Kilili Sablan
Vice Chair of Insular Affairs, Committee on Natural Resources
U.S. House of Representatives**

**Submitted by Rep. Christina Sablan
Chair, Health and Welfare Committee
22nd House of Representatives
Commonwealth of the Northern Mariana Islands**

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1. Full implementation into SNAP would bring additional benefits and security to many low-income residents in the Northern Mariana Islands. Wouldn't that justify any increased administrative costs? The Commonwealth often struggles to meet its obligations but surely the importance of this lifeline to keep struggling families fed would be prioritized, would it not? And wouldn't the infusion of federal assistance dollars provided by Congress in the recent multiple relief acts easily cover any additional short-term program costs?

The fixed block grant that funds the Nutrition Assistance Program in the Northern Marianas is both inadequate and inequitable, and continuing with the status quo should not be an option. I wholeheartedly agree that the benefits to be gained from full transition to SNAP far outweigh the initial short-term program costs (estimated at \$4.2 million for the Commonwealth government over a three-year implementation period¹) and the annual administrative expenses (estimated at \$1.1 million for the Commonwealth's share²).

With SNAP inclusion, nutrition assistance funding for the Marianas would adjust with need and would no longer be subject to the chronic instability and funding shortfalls that occur with the fixed block grant. Low-income families would be eligible for increased benefits, and would not have to worry about food assistance being cut after disasters or economic downturns, or if Congress is slow to address funding shortages.

SNAP implementation in the Northern Marianas is also anticipated to contribute to economic growth, through increased food assistance dollars spent directly in the local economy, as well as indirect economic benefits arising from the multiplier effect, more resources for employment and training services, and increased local tax revenues. One study estimates that increased tax revenues resulting from SNAP dollars circulating in the economy would range from three to seven times the additional administrative costs to the Commonwealth for SNAP implementation.³

Moreover, even if sufficient tax revenues are not immediately generated to cover the Commonwealth's short-term implementation expenses for SNAP and the local share of administrative costs, we have been fortunate in the Northern Marianas to have received generous

¹ "Assessing the Feasibility of Implementing SNAP in the Commonwealth of the Northern Mariana Islands." USDA, Food and Nutrition Service. August 2016.

² USDA, 2016.

³ "Analysis of the Economic Impact of Including CNMI in the U.S. National Supplemental Nutrition Assistance Program (SNAP)." RAS Consulting. September 2011.

infusions of hundreds of millions of dollars in federal disaster and Covid-19 relief monies. A portion of these funds can be applied to assist the Commonwealth government in covering initial SNAP costs for the next few years.

Implementing SNAP in the Marianas will also mean improvements in efficiency and program integrity. The Commonwealth's Nutrition Assistance Program still manually processes and distributes paper coupons, and is notorious for long lines and burdensome paperwork. But we are more than capable of implementing more efficient and modernized systems in the Commonwealth and complying with federal program requirements – as our Women, Infants, and Children program has already been doing with its own successful Electronic Benefits Transfer system, and as neighboring Guam has done for many years with SNAP.

The expected benefits of SNAP for low-income families, local businesses, and government services in the Marianas easily justify the costs of implementation. We have a demonstrated need for full SNAP benefits that are open-ended and not arbitrarily fixed by law. We have the funding to cover short-term program expenses and administrative costs. We have the capacity to modernize our systems and meet federal requirements for program integrity. The Commonwealth government and our federal partners in USDA can, and should, commit to SNAP and make the transition to full SNAP implementation in the Marianas without further delay.

2. Besides the three social welfare programs highlighted in the hearing, what programs, if provided full parity and funding, do you think would provide the most benefit to residents in the Northern Marianas?

Temporary Assistance for Needy Families (TANF) is one other vital federal safety net that is not available to low-income Northern Marianas residents, simply because federal law does not yet include the Northern Marianas in the program. Guam, Puerto Rico, Virgin Islands, and American Samoa are all eligible by law to participate, however, as are all fifty States.

TANF provides block grants to eligible States and Territories to deliver basic and emergency economic assistance, child care, education and employment training services, and other benefits to qualified low-income families with children. Access to TANF would help many vulnerable families in the Northern Marianas, where more than half of our population live in poverty and so many are still recovering from recent typhoon disasters, and now, the Covid-19 pandemic.

Congressman Sablan's H.R. 1773, the Northern Marianas Family Assistance Act, is an important step towards TANF parity and extends eligibility for the program to the Marianas. Full, equitable access and funding for TANF would provide a significant boost in stability for the Commonwealth's struggling families, and enable them to continue to meet essential needs when they fall on hard times, and as they work to rebuild their lives.

In terms of healthcare, the residents of the Northern Marianas and other Territories would benefit from the inclusion of our hospitals in eligibility for federal programs that are designed to shore up healthcare systems that serve rural and economically disadvantaged communities by providing supplemental payments, incentives, and drug discounts.

These federal programs include, for example, Disproportionate Share Hospital payments, Critical Access Hospital designation benefits, Medicare Electronic Health Records incentives, 340B drug pricing for safety-net hospitals, and improved reimbursement rates under the Inpatient Prospective Payment System. Territorial hospitals lack access to these federal benefits because Section 1886 of the Social Security Act defines “eligible hospitals” as facilities located in the fifty States and the District of Columbia.^{4,5}

Full parity in these federal programs would provide enhanced resources and protections for rural, financially vulnerable healthcare systems across the Territories. In the Northern Marianas, our Commonwealth Healthcare Corporation (CHCC) and our community would certainly stand to gain from equitable access to these programs: CHCC operates our sole public hospital on the island of Saipan and health centers on the smaller islands of Tinian and Rota; serves a significantly disproportionate number of low-income, uninsured, and underinsured patients; and bears the burden of millions of dollars in uncompensated care and charity care costs every year.⁶

⁴ Testimony of Esther Muna, Chief Executive Officer, CHCC, at the U.S. House Committee on Natural Resources Hearing on the Insular Areas Medicaid Fiscal Cliff, May 23, 2019.

⁵ Letter of Governor Ralph DeLeon Guerrero Torres to Health and Human Services Secretary Alex M. Azar II, regarding Medical Assistance for Uninsured, Medicaid and Medicare Patients in the CNMI, April 23, 2019.

⁶ Muna, 2019.