

**MICHAL RHYMER-BROWNE
U.S. VIRGIN ISLANDS**

**Written Testimony of
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United States Virgin Islands Department of Human Services
Oversight of the Medicaid Division
Before the House Committee on Energy and Commerce**

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Chairman Pallone, Ranking Member Walden, Ranking Member Burgess and Members of the Committee:

Thank you for the opportunity to provide testimony on the significant impacts to our healthcare system and the people of the United States Virgin Islands, considering the impending Medicaid fiscal funding cliff which will impact us beginning October 1, 2019. I am Michal Rhymer-Browne, Assistant Commissioner of the Virgin Islands Department of Human Services, and I have direct oversight of the Medicaid Division. I must also thank Kimberley Causey-Gomez, Commissioner Nominee of the V.I. Department of Human Services, who has extended to us her complete support as we prepared to come to this important Committee meeting today.

On behalf of the Honorable Governor Albert Bryan, Jr. and the more than 100,000 American citizens living in the U.S. Virgin Islands, we bring you greetings, and as we say in the Virgin Islands, “a pleasant good morning.” As a people, we want to convey our heartfelt gratitude, appreciation, and thanks for the concern and the support that you and your colleagues in Congress have provided as we continue to recover from the unprecedented damage caused by Hurricanes Irma and Maria - two Category 5 Hurricanes, which ravaged the Virgin Islands in September of 2017. We are a resilient people, but my testimony today is truly intended to actualize the empathy

and to request your continued urgent support to address the critical Federal and local funding crisis we are facing in our healthcare system on September 30, 2019. By September 30, 2019, we project to have fully expended the additional \$142.5 million in Federal Medicaid funding provided under the Bipartisan Budget Act of 2018 (BBA) and the 100% Federal matching rate will expire. When the BBA expires, we will also lose access to the nearly \$146.1 million in remaining Federal funding provided under the Affordable Care Act (ACA). It is only through this additional federal funding and the 100% matching rate that we have been able to sustain our healthcare system during these trying times.

Members of Congress, we need your support to avert catastrophic damage to our Medicaid program, which will undoubtedly also impact the larger healthcare system. On September 30, 2019, the federal Medicaid matching rate will revert back to the statutorily mandated 55% matching rate for most of our Medicaid program and the Federal Medicaid funding cap of approximately 18.8 million will be established. This is not sustainable, given the current state of our Medicaid program. Since the hurricanes damaging impact in 2017, our Medicaid has been even more in demand and is now the only major source of medical insurance to persons who are poor, disabled, pregnant, and elderly. If the Virgin Islands only receives the statutory cap amount of \$18.7 million at the 55% matching rate, that funding is projected to only cover 26% (barely one quarter) of the Federal funding needed during the fiscal year for the Medicaid expenditures supported by that cap. This is the Medicaid “fiscal cliff” that we have been warning about for some time. Once the cap is exhausted, the Virgin Islands would have to fully make up the deficit in Federal Medicaid funding, as it has in the past, and pay for its Medicaid services with 100% local funding. That local funding is not available, our citizens will

not be able to receive the essential healthcare they need, and our already fragile healthcare infrastructure would be further de-stabilized and its recovery would be further delayed.

We believe that there needs to be a permanent statutory fix that addresses the unfair and disparate treatment all Territories face in their Medicaid programs along the lines of H.R 1354, “The Territories Health Equity Act,” introduced on February 25, 2019, by our Delegate Stacey Plaskett. We are also encouraged by Bill S. 1773, The Territories Health Equity Act of 2019, introduced by Senator Bernie Sanders. Bill S. 1773 seeks to correct long-standing inequities in federal health care funding to the territories, including the U.S. Virgin Islands. However, we understand from various informal discussions with Congressional and Administration staff that such a permanent fix may not be possible at this time, especially before September 30, 2019. However, if a permanent fix is not imminent, we are requesting that the Congress and the Administration work with us to support the following five-year (Fiscal Years 2020-2024) Medicaid funding request:

1. 100% federal Medicaid matching rate be extended to the U.S. Virgin Islands for **two** additional Federal fiscal years (October 1, 2019 through September 30, 2021). We are currently projecting that at least \$238 million in additional Federal Medicaid funding be provided during this period, as was done in the BBA 2018. This assumes that other Federal requirements and funding under the Medicaid program remain in place during this period.
2. At least an additional \$377 million in Federal Medicaid funding based upon our current projections, be provided be provided for three additional fiscal years to the U.S. Virgin Islands at an 83% Federal matching rate. This would be in lieu of our expected \$18.8

million Medicaid cap. This assumes that other Federal matching requirements and funding under the Medicaid program remain in place during this period for areas such as CHIP allotments, MMIS, Eligibility and Enrollment, and Medicare Part D Co-insurance and deductibles. After this five-year interim plan, we strongly urge this 83% FMAP be maintained permanently for the U.S. Virgin Islands.

As we reiterated in previous meetings with the Administration, and in Testimony before Congress, healthcare funding in the Virgin Islands was under great stress even before the two hurricanes. The U.S. Virgin Islands Medicaid program has suffered undue financial burden from an arbitrarily low federal matching rate (FMAP), a correspondingly high local matching requirement, and the limited capped Federal funding. We have had to contribute a vastly disproportionate share of our own very limited local funding for our Medicaid Program compared to that of the States.

We are particularly grateful for the additional Federal funding provided under the ACA and the temporary disaster-related waiver of the local match and additional Federal funding provided through the BBA 2018. These actions more than doubled our Medicaid program to over 27,000 individuals from approximately 12,000 individuals in 2012, increased total expenditures under our Medicaid program to over \$120.5 million, provided much needed healthcare services to our people, and maintained our Medicaid program to continue to operate during these trying times.

However, unless the Congress and the Administration act to support the two requests I have outlined above before September 30, 2019, the U.S. Virgin Islands will be faced with potentially catastrophic damage to our Medicaid program and our healthcare system as detailed below:

- The U.S. Virgin Islands will have to remove upwards of 15,000 individuals from our Medicaid program who still need health care services.
- We will not be able to continue the outreach to the community to bring into the Medicaid program those 15,000 to 20,000 additional Virgin Islanders who we believe are eligible for the program currently but not yet enrolled.
- The U.S. Virgin Islands will have to pay for any needed healthcare services with all local funds that are not available in our budget at this time.
- We will face further delays in rebuilding our hospitals and clinics and other healthcare infrastructure as funds will have to be diverted to pay for needed ongoing day to day healthcare services.
- The U.S. Virgin Islands will have to continue to evacuate even more patients to the mainland, at increased costs to us, which we are unable to support with local funding as delays in the rebuilding of our healthcare infrastructure continue.
- The Virgin Islands is already considered a health professional shortage area by HHS and we anticipate that this will be exacerbated with the decrease in Medicaid funding. We will not be able to expand much needed long-term care support services to our elderly and disabled population—our most fragile population--as we have no certified nursing homes in the U.S. Virgin Islands and such care must be provided mainly in the community.

A decrease in Medicaid federal funding will impede our ability to support the mental and behavioral health crisis we are currently facing in the U.S. Virgin Islands. These funds are needed to pay providers and reimburse facilities for services provided. We are also keenly aware that with the added Federal support being provided by our Federal partners comes additional responsibility on our part to utilize and oversee that support in an efficient

and effective manner and with full accountability. Towards that end, the U.S. Virgin Islands has implemented various activities, which will ensure that this accountability continues:

- We implemented the first ever Territory Medicaid Management Information System (MMIS) in 2013 so our Providers could electronically submit their claims and once the claims are adjudicated receive payment in thirty (30) days or less.
- The U.S. Virgin Islands implemented a Medicaid MAGI compliant on-line Medicaid eligibility system in July 2017, called the Virgin Island Benefit Eligibility System (VIBES). This system will be expanded beginning later this year to complete integration with our other Federal programs like SNAP and TANF.
- We implemented a Medicaid Fraud Control Unit (MFCU) in 2018, which is operated by the Virgin Islands Department of Justice. An MOU was executed between the Virgin Islands Department of Human Services, and the Department of Justice in December of 2018. This MOU spells out the terms of the operation of the V.I. Medicaid Fraud Control Unit and describes how both Departments will collaborate to ensure fraud, waste, and abuse is detected and a corrective plan put in place.
- The U.S. Virgin Islands also implemented the Transformed Medicaid Statistical Information System (TMSIS) with CMS through our Medicaid Management Information System (MMIS) in 2018 to ensure detailed statistical and financial reporting be provided

to the Centers for Medicare & Medicaid Services (CMS). Of the Top 12 Issues listed by CMS for T-MSIS Phase I, the U.S. Virgin Islands has completed all items and there are no outstanding issues found as of Friday June 14, 2019. The VI's Current Production Run, April 2019 data set was sent May 17th, and all 8 files were accepted and were processed by CMS. We have begun Phase II of the T-MSIS implementation, and of the Top 23 Issues listed by CMS for Phase II, VI has completed all items and there are also no issues found as of Friday June 14, 2019.

- An Expression of Interest Form was completed and submitted to the Medicaid Innovation Accelerator Program (IAP) on December 3, 2018. The goal for this IAP opportunity is to support the VI Medicaid Program in our Medicaid delivery system reform efforts by improving our Data Analytic Capacity. The Kickoff Data Analytic call was on April 24, 2019. A Data Analytic Cohort Work Plan has consequently been developed. Seven Virgin Islands Medicaid staff members are currently listed as team members to include a Systems Analyst, Eligibility & Enrollment staff, Quality Control, Claims, Clinical, and Management level staff. The IAP will assist the V.I. Medicaid Program in developing an analytic strategy for analyzing our Medicaid Program. It will also assist the V.I. Medicaid Program to use data to drive programmatic decision making improving statistical programming and data modeling skills. The IAP will also facilitate the integration of Medicaid data with other data sets.

- We will shortly be completing cost report audit reconciliations for our two hospitals and two Federally Qualified Health Centers (FQHCs) to bring those audits and reconciliations current. We will also begin the audit and reconciliation process for our Department of Health Clinics.
- The U.S. Virgin Islands Medicaid Program submitted an IAPD to the U.S. Department of Health and Human Services last week requesting close to \$15 million to implement a territory wide health information exchange system.
- Program Integrity in the V.I. Medicaid Program is extremely important. To further enhance our Program Integrity, A Joint Operating Agreement (JOA) was signed between the Southeastern Unified Program Integrity Contractor (SE UPIC) and the Medical Assistance Program (MAP), dated March 21st, 2019. The purpose of Medicaid Program Integrity Coordination is to work with the Virgin Islands Medicaid program to identify potential fraud, waste, and abuse. Medicaid program integrity is a collaborative effort between CMS, SE UPIC (under contract to CMS), US Virgin Islands Dept. of Human Services – Medical Assistance Program and the established Virgin Islands Medicaid Fraud Control Unit

We believe that all these activities indicate our strong ongoing commitment to ensuring the integrity of our programs and our responsible stewardship of the Federal Medicaid funding that we receive. The U.S. Virgin Islands is also committed to the ongoing improvement of program integrity, transparency, and efficiency and the Federal funding outlined above is needed to continue these efforts and maintain our programs.

The positive impact of the BBA 100% FMAP funding has enabled V.I. Medicaid to literally save lives and improve the quality of life for thousands of Virgin Islanders. Without this funding, we would not have been able to facilitate off island medical care for MAP members who have been diagnosed with extremely complex cancer disease, severe orthopedic conditions, and to save the lives of those members who experienced traumatic physical injuries, which required specialized medical care not currently available in our territory's hospital facilities. Please note that our hospitals are still in compromised physical states caused by Hurricanes Irma and Maria in 2017. As we fast approach the end of our FY 2019 BBA funding, V.I. Medicaid Director, Gary Smith, and his staff, are already being faced with fiscal challenges in being able to make timely payments to our Medicaid Providers. It is painfully obvious that we are already approaching the "Medicaid Cliff" and the ramifications for the health and well-being of our most vulnerable population of U.S. citizens who reside in the U.S. Virgin Islands are severe.

For the forgoing reasons, I strongly urge the Congress, in conjunction with the Administration, to promptly act on this matter of critical urgency to the people of the U.S. Virgin Islands. The enactment of our proposal will serve to enable us to continue to provide urgent health care services to our citizens while we work to rebuild our health care infrastructure and economic viability, and will serve to provide a temporary and a more permanent solution to the disparate, arbitrary, and unfair treatment that the Territories continue to receive under the Medicaid Program.

Given the very short time remaining in this fiscal year, and the need for the U.S. Virgin Islands and other Territories to be able to reliably and predictably plan their upcoming internal Medicaid program changes and budget request, I ask that you address this issue in the next available legislative vehicle.

I appreciate the opportunity to share the Virgin Islands views with you. We look forward to working together with you to address the immediate issue of the impending Medicaid fiscal funding cliff and we look forward to collaborating with you on achieving a permanent solution that can finally eliminate the unequal treatment of Virgin Islands and the other Territories under the Medicaid Program and provide parity for Medicaid enrollees and the full benefits of the Federal Medicaid program for our citizens and our providers.

Thank you for your consideration and attention to these urgent matters. I am honored to be here and open to answer any questions you may have.