



LOURDES A. LEON GUERRERO
GOVERNOR, MAGA'TAGA

JOSHUA F. TENORIO
LT. GOVERNOR, SIGUNDO MAGA'LAHI

GOVERNMENT OF GUAM

DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES
DIPATTAMENTON SALUT PUPBLEKO YAN SETBISION SUSIAT



ARTHUR U. SAN AGUSTIN, MHR
DIRECTOR

LAURENT SF DUENAS, MPH, BSN
DEPUTY DIRECTOR

TERRY G. AGUON
DEPUTY DIRECTOR

Guam Medicaid Program Testimony

This testimony will cover Guam issues in several contexts: 1.) Guam's Uninsured Population, 2.) Access to Healthcare Services and Affordable Healthcare Costs, 3.) Coronavirus Pandemic, 4.) Guam's Financial Instability, and 5.) Healthcare Disparity.

The uninsured population of Guam is high due to the high cost of living and insurance premium. Most goods or commodities are imported. The Cost of living in Guam is 41.09% higher than in the United States, a family of four estimated monthly cost is \$4,543.31 without rent, and a single person estimated monthly cost is \$1,332.15 without rent (numbeo.com/cost-of-living/country).

This population is not qualified under the Guam Medicaid because of the program's low-income guideline. Though Guam's current minimum wage is \$8.75, the monthly average income for a full-time employee is \$1,517 per month; most people still do not qualify because Guam Medicaid's eligibility determination is based on monthly gross income. The income guideline for a household size of 1 and 4 are \$1,103 and \$2,280, respectively.

People without insurance coverage are less likely to have access to healthcare than people who are insured. These individuals are less likely to receive preventive care and other necessary healthcare services as well. People tend to prioritize food security and house stability over health. Because of lack of insurance, these people are more likely to have chronic conditions early in life. This drives the Medicaid expenditures higher because people would only apply and qualify under the program during the most vulnerable stage of their life.

In addition, the cost of providing healthcare in Guam is higher because of its unique geographic location, lack of tertiary center, and difficulty of recruiting health care professionals. Guam continues to suffer from shortage of primary care physicians, medical specialists, and other health care professionals. Health Resources and Services Administration (HRSA) continues to designate Guam as Medically Underserved Area. The difficulties in accessing healthcare (facilities and specialist) may lead to worse health outcomes by increasing patients' physical and emotional stress, reducing the likelihood of seeking follow-up care, and limiting proximal family support. Due to lack of tertiary center, Guam patients need to compete with other off-island patients and wait for appointments from accepting physician/medical facility. The patient's condition worsens while waiting to be transported off-island and, in some instances, may require air ambulance before appropriate medical treatment is coordinated and received.

Furthermore, the economic downturn due to the coronavirus pandemic provided adversity to the people of Guam. They either lost their jobs or experienced reduced work hours. More

Guamanians became uninsured during this period of hardship and leaned on the Medicaid Program for their health care needs. The number of new and reopen Medicaid applications processed in May 2020 until the end of Fiscal Year 2020 went up by more than twice the applications processed in March-April 2020.

Medicaid New and Reopen Applications Processed

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	TOTAL
MAP	375	314	723	835	783	1023	810	4863

More importantly, Guam's economy is heavily dependent on the tourism industry and US military spending. Due to COVID-19 pandemic, the revenue became unstable. As a result, the government may not be able to guarantee the availability of local funds to match the succeeding Medicaid federal grant after FY 2021 if the local match stays at 45%.

The Medicaid Program in Guam differs from the 50 states and the District of Columbia. In the last 2 years, Guam Medicaid Program benefitted from the increases in the federal funding cap and the Federal Medical Assistance Percentage (FMAP) brought about by PL 116-20 and PL 116-94 which provided an opportunity to improve its provider relation, claims processing and payment timeliness, increase patients' access to care, increase income guideline and providers' reimbursement. However, the increase on FMAP and the funding cap are time-limited and expire at the end of Fiscal Year 2021.

Disparity on healthcare across the nation exists, but more so in Guam because of its geographic location, lack of medical professionals, limited access to care, lack of program flexibility, and the long-standing federal regulation on Medicaid Program as it pertains to the FMAP and the funding cap, not to mention the distribution of Disproportionate Share Hospital payments to cover the costs of providing care to uninsured patients in the Territories.

Addressing these disparities is crucial not only from an equity stand point but also from a growth stand point in Guam's healthcare system. By addressing these disparities, we can remove the limit of our ability to improve and strengthen our fragile healthcare system and respond to the fast-changing demands of standard medical care to provide quality healthcare services by developing a comprehensive system of care, focusing more on prevention and primary care, addressing the social determinants of health, and reducing the unnecessary high costs of services due to delayed treatment.

The Guam Medicaid expenditures will continue to grow due to increasing medical cost brought about by new drugs, advancing medical technology or new mode of treatment and new health standards or policies, not to mention increase on number of eligible and healthcare services utilization. The Medicaid expenditures (administration and payment to providers) in FY 2020 was \$160.6 million. This is more than 348% increase in comparison to FY 2011 of \$35.9 million. Furthermore, the number of Guam Medicaid enrollees has grown for the past several years, which will continue to grow with the inclusion of COFAS.

**Medicaid (Admin and Medical Payments) and Medically Indigent Program
Expenditures**

Fiscal Year	Total No. of Medicaid Eligibles	Total Medicaid Payment	Total Medicaid Admin Expenditure	TOTAL MEDICAID EXPENDITURES	Total MIP Undocumented Alien Expenditure Charge to Medicaid	Total No. of COFAS MIP Eligibles	Total MIP COFAS Expenditures
2011	35,701	\$ 33,894,279	\$ 1,987,461	\$ 35,881,740	\$ 1,366,917	7,995	\$ 3,948,746
2012	40,433	\$ 46,877,383	\$ 2,069,609	\$ 48,946,992	\$ 5,104,120	7,915	\$ 3,986,307
2013	43,603	\$ 73,499,383	\$ 2,736,446	\$ 76,235,829	\$ 7,230,355	9,603	\$ 1,940,654
2014	44,528	\$ 86,846,732	\$ 3,026,042	\$ 89,872,774	\$ 6,494,115	8,221	\$ 2,897,898
2015	44,033	\$ 81,596,426	\$ 2,688,562	\$ 84,284,988	\$ 7,698,765	8,242	\$ 5,426,886
2016	43,673	\$ 95,382,705	\$ 2,636,618	\$ 98,019,323	\$ 7,227,552	8,353	\$ 5,728,512.66
2017	43,476	\$ 108,609,905	\$ 2,650,294	\$ 111,260,199	\$ 11,946,140	8,357	\$ 7,816,814.43
2018	43,549	\$ 110,876,286	\$ 2,348,585	\$ 113,224,871	\$ 15,054,321	8,485	\$ 5,519,300.18
2019	43,804	\$ 151,062,508	\$ 2,920,243	\$ 153,982,751	\$ 25,651,502	8,654	\$ 8,537,602.57
2020	43,387	\$ 157,256,853	\$ 3,499,583	\$ 160,756,436	\$ 23,416,478	8,122	\$ 7,154,492.55

The Table above depicts the 10-year Medicaid and Medically Indigent Program (Local Program) expenditures.

If no action is taken to resolve this long-standing regulation that affects the Territories, Guam will then revert to receiving fewer federal dollars which is approximately \$19 to \$20 million annually. The inclusion of COFAS Citizens under Medicaid may alleviate some Guam financial hardships, but it is only for COFAS. This does not include the US Citizens living in Guam. In addition, the required local match of 45% will continue to be a financial hardship for the government.

This will deter both on-island and off-island providers from accepting Medicaid patients resulting in more expensive medical treatment. Patients tend to wait until their condition worsens and are forced afterwards to go to the hospital emergency room that will accept them because of EMTALA.

Guam plans to increase the current Medicaid income guidelines and determine applicant's eligibility based on the net rather than gross monthly income in order to reduce our uninsured population, increase the benefits, such as adding long term care services or home community-based services to reduce acute inpatient hospital admission to attain a healthy community. Guam needs a sustainable funding, not a limited-time funding to achieve this plan and create a comprehensive healthcare system that will last to produce better healthcare outcomes for our citizens and promote a healthy Guam community.

We, the Territories, urge the US Congress to end this long-standing disparity on Medicaid funding. Whether we live in a State or Territory, our rights to healthcare services as US Citizens should be the same.

Theresa L. Arcangel 3/15/21
THERESA L. ARCANGEL
Chief Human Services Administrator
Division of Public Welfare, DPHSS

Arthur U. San Agustin
ARTHUR U. SAN AGUSTIN, MHR
Director, DPHSS