

Questions for the Record by Democrat Members

Questions from Rep. Sablan for Ms. Esther L. Muna and Chief Executive Officer, Commonwealth of the Northern Mariana Islands Healthcare Corporation

- 1. If Congress finally treats the territories equitably and provides uncapped funding with federal match determined in the same way as states, what would the Commonwealth of the Northern Mariana Islands do to ensure that Medicaid beneficiaries have access to comprehensive services comparable to what states must provide?**

With reliable, full reimbursement, the Commonwealth Healthcare Corporation (CHCC) could expand the availability of services on island even further than it has since the ACA funding became available in 2011. Currently, the CHCC only receives a 55% reimbursement for services rendered to Medicaid beneficiaries. While this reimbursement has been regular, reliable, and essential for the cashflow of the CHCC, full and dependable reimbursement from CNMI Medicaid would enable to CHCC to pursue new health care services. Most of the CHCC's insured patients are covered by Medicaid, so Medicaid reimbursement is essential to assure sustainability of any new service. The assurance of Medicaid reimbursement for new and expanded lines of health care services means that these services would also be available to patients who are uninsured or insured through other third parties.

With the security of equitable Medicaid funding, the CNMI health care system could make available a more robust suite of health care services on our islands for Medicaid beneficiaries. This would serve the additional benefit to our community as an investment in our economy and health care workforce.

- 2. With the additional federal funding, what specific investments could you make to improve eligibility and benefits over time?**

Because this question refers to Medicaid eligibility and benefits, please refer to the CNMI Medicaid Agency's response for the answer to this question.

- 3. What improvements in your health care infrastructure would be needed?**

The Commonwealth Healthcare Corporation (CHCC) has many plans for further improvements to our health care system, but without greater certainty that Medicaid will be able to reimburse for services, these plans may need to be put on hold. Our plans for future enhancements include:

- Expanding telemedicine services, including, but not limited to, telepharmacy and teledentistry on the smaller islands of Tinian and Rota.
- Improving care efficiency by adopting the Patient-Centered Medical Home models at our outpatient clinics.
- Transforming our clinics on the islands of Tinian and Rota into Federally-Qualified Health Centers (FQHCs).
- Constructing a new 40,000+ sq. ft. outpatient facility to accommodate a greater range of services and higher patient capacity, including an outpatient chemotherapy center, and Skilled Nursing Facility.
- Expanding the sole hospital, which was built in 1986 to accommodate a population of fewer than 20,000 people. Today, the CNMI population is nearly three times this size, but the hospital has undergone very little renovation. These plans include expanding the emergency and radiology departments to more than double their current size, and expanding other units of the hospital such as the operating room, laboratory, labor and delivery ward, and intensive care units.
- Investing in photo-voltaic energy generation to improve self-sufficiency and mitigate interruption to hospital services by storm damage to the CNMI's electricity infrastructure.
- Building the first ever comprehensive cancer center in the CNMI.

- Investing in local students who pursue medicine, nursing, pharmacy, and behavioral and public health to build a strong and diverse health care workforce. We are committed to bringing health workers back home, but we need a financially stable health system to do that.
- Bringing value-based services using population health models and eliminate fee for service models that are paid by volume.
- Working with Medicaid to identify cost-saving opportunities to control costs in the program.
- Offering sustainable and innovative health care services in the CNMI.
- Technical assistance to implement systems for utilization review. For example assessing use of brand name vs generic pharmaceuticals for Medicaid beneficiaries.

4. Would dedicated up-front funding be needed to make those changes?

MMIS and Utilization review technical assistance and systems. As this speaks to Medicaid program infrastructure, please refer to the CNMI Medicaid Agency's response for the answer to this question.

5. Would provider payments have to be increased and to what extent?

Please refer to the CNMI Medicaid Agency's response for the answer to this question.

6. Are there particular Medicaid eligibility, benefit or other requirements you wouldn't be able to meet within a reasonable time due to territory-specific limitations, and if so, what changes could the Commonwealth of the Northern Mariana Islands make to ensure residents get high quality health care in other ways that meets their needs?

Please refer to the CNMI Medicaid Agency's response for the answer to this question.

7. Overall, what do you see as the necessary steps to better ensure access to quality, comprehensive care for the Commonwealth of the Northern Mariana Islands residents and what would be a reasonable timeline to reach such a goal? The operation of the Commonwealth Healthcare Corporation (CHCC) is highly dependent on Medicaid's ability to pay for services, especially given that 28% of the population relies on Medicaid to access health care services and about forty-six (46%) percent of CNMI *adults don't have any form of health insurance coverage*¹. Fifty-two percent of CNMI residents, it must be noted, live on incomes at or below the Federal Poverty Level², and the median household income for CNMI families was less than half of the U.S. nationwide median household income in 2010.³ Despite the high poverty rate, many CNMI residents don't qualify for Medicaid coverage because they do not hold the necessary permanent resident status to be eligible. As of 2010, forty-three percent (23,184) of all CNMI residents were non-U.S. citizens, with fewer than one fifth of them holding the immigration status necessary to be eligible for CNMI Medicaid assistance. Employer-sponsored insurance is not a requirement for any class of employee in the CNMI, and individual health insurance plans are not available from private insurance companies operating in the CNMI. A major step to improving access to quality, comprehensive care for CNMI residents is to improve reimbursement mechanisms for services. Equitable financing for the CNMI Medicaid program would bring the CNMI closer to the reimbursements that are needed to sustain its health care system. Other steps must be taken at the local CNMI level to reduce the rate of the non-Medicaid eligible uninsured population and assist low income residents to pay for health care. Bringing equitable care means services will be more available on island and increase in provider payments will only shift costs from off-island providers to locally provided ones.

8. What will you have to cut if you go off the cliff?

¹ 2016 CNMI Non-Communicable Disease and Risk Factor Hybrid Survey

² 2010 U.S. Census

³ 2010 U.S. Census

Please refer to the CNMI Medicaid Agency's response for the answer to this question.

9. What will be the impact on individuals and the health care delivery system in the territory, when Obamacare funding ends this year?

If no action is taken to cushion the free fall from the Medicaid fiscal cliff for the CNMI, the CHCC would not be able to continue to sustain the range of services that it makes available to all CNMI residents today. This would impact all health services as personnel at the CHCC may need to be drastically cut, leaving residents to either forego the care they need, or seek care off-island, possibly becoming Medicaid beneficiaries of other states or territories such as Guam. For most island residents, off-island care is not a viable option due to the cost of travel and services.

The health care system problems of 2011/2012 will reoccur, where services would need to be eliminated and doctors and nurses leave island. In order to consistently ensure patient safety and services quality, CHCC will need to make the hard decision to cut back on essential services and refer off-island.

Although the CHCC offers a sliding fee discount for patients who live on low incomes and don't have health insurance, this program is unfunded, and is primarily a means to reduce barriers to care. The CHCC incurred roughly \$18 mil of uncompensated care from uninsured patients in the FY 2018, and about \$7 mil in charity care under the sliding fee discount program.

If CNMI Medicaid is unable to pay for services for the Medicaid beneficiaries, then, the CHCC, as a safety-net provider of care, will bear an even larger burden of uncompensated and charity care, making operations even more difficult to continue, thereby affecting the whole population requiring any form of health care services.