

**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 Natural Resources**

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Chairman Grijalva, Ranking Member Bishop, 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, in light of the impending Medicaid fiscal funding cliff which will impact us beginning October 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. Accompanying me today is Mr. Gary Smith, our Virgin Islands Medicaid Director. I must also thank Kimberley Causey-Gomez, Commissioner Designee 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.

I appear before you today 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 that date we are currently projecting we will 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. Along with this, we are projecting we will lose access to the nearly \$158.9 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, with no exaggeration, the Congress, together with the Administration, must Act by September 30, 2019, to avert catastrophic damage to our healthcare system, if left on its current course. At that point, 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. This is not sustainable, given the current state of our Medicaid program. 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, and our citizens will not be able to receive the essential healthcare they need, and our already fragile healthcare infrastructure would be further destabilized, 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. However, we understand from various informal discussions with Congressional and Administration staff that such a permanent fix may not be possible at this time. Therefore, I am 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) and 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, in lieu of our annual Medicaid cap, be provided to the U.S. Virgin Islands at an 83% Federal matching rate for three additional Federal fiscal years (October 1, 2021 through September 30, 2024). 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.

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. Under Medicaid, an arbitrarily low federal matching rate (FMAP) and a

correspondingly high local matching requirement added to the limited capped Federal funding have imposed severe and unsustainable financial demands on the Territory. We have had to contribute a vastly disproportionate share of our own 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 have allowed us to more than double our Medicaid program to over 27,000 individuals from approximately 12,000 individuals since 2012, increase total expenditures under our Medicaid program to over \$120.5 million, provide much needed healthcare services to our people, and allowed 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 even further costs to us, which we are unable to support with local funding as delays in the rebuilding of our healthcare infrastructure continue.
- We will be faced with losing more and more of our medical providers if we are unable to pay and retain them. This will be compounded by our inability to attract new medical professionals willing to come and work in the islands when we are facing such a critical financial crisis in our healthcare system and they are concerned with whether they will be able to be paid.
- 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 has to be provided mainly in the community.
- Finally, the U.S. Virgin Islands is facing a mental health and behavioral health crisis as declared by Governor Albert Bryan, Jr. in March 2019 as a result of the lack of providers and facilities to address the demand for these services in the territory, and we will not have access to needed Federal funds to help address these critical issues.

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 moved forth with purposeful actions, and we are implementing various activities, as outlined below which will ensure that this accountability continues:

- We implemented the first ever Territory Medicaid Management Information System (MMIS) in 2013.
- 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.
- 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).
- We 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.
- The U.S. Virgin Islands will shortly begin the audit and reconciliation process for our Department of Health Clinics.
- We recently completed the CMS Medicaid Program Integrity (PI) Review.
- We also executed a memorandum of understanding with CMS to receive technical assistance in additional Medicaid PI activities and Medicaid data analytics.

- The U.S. Virgin Islands is working with HHS to finalize an advance planning document which will provide upwards of \$15 million to implement a territory wide health information exchange system.

We believe that all of 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.

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 “fix” 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 my 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, along with Gary Smith, our U.S. Virgin Islands Medicaid Director.