Medicaid and CHIP in Guam

Guam became a U.S. territory in 1950 and created a Medicaid program in 1975. Its Medicaid program is administered by the Guam Department of Public Health and Social Services (CMS 2016a).

For the purposes of Medicaid and the State Children’s Health Insurance Program (CHIP), Guam is considered a state unless otherwise indicated (§ 1101(a)(1) of the Social Security Act (the Act)). However, its Medicaid program differs in many aspects from those in the 50 states and District of Columbia. This fact sheet summarizes the key requirements and design features of Medicaid and CHIP in Guam, including eligibility and enrollment, benefits, financing and spending, data and reporting, and quality and program integrity.

Eligibility and Enrollment

Eligibility rules in Guam’s Medicaid program differ in some ways from those in the states. Guam is permitted to use a local poverty level to establish income-based eligibility for Medicaid, and is exempt statutorily from requirements to extend poverty-related eligibility to children and pregnant women (§ 1902(l)(4)(B) of the Act), and qualified Medicare beneficiaries (§ 1905(p)(4)(A) of the Act). Guam currently provides coverage to individuals, including children, with modified adjusted gross incomes up to 133 percent of the Guam poverty level (GPL) (CMS 2014c). As of 2016, this is $1,536 per month for a family of four or approximately 72 percent of the federal poverty level, which is $2,146 per month in 2019 (ASPE 2018). Guam has expanded Medicaid eligibility to the new adult group under the Patient Protection and Affordable Care Act (ACA, P.L. 111-148, as amended) (CMS 2016a, 2016b).

Guam uses CHIP funds as an additional source of funding for children in Medicaid after it has exhausted its Medicaid allotment (CMS 2016d). It does not offer coverage to children whose incomes are above the threshold for Medicaid eligibility (CMS 2016a).

As of August 2017, 35,559 individuals were enrolled in Medicaid, or approximately one-fifth of Guam’s population (CMS 2018a).

Benefits

Federal rules for Medicaid benefits generally apply to Guam, and its Medicaid program provides all mandatory benefits and many optional benefits, including dental coverage and prescription drugs (CMS 2016d). Guam is the only territory that covers all mandatory benefits, including nursing facility services. Enrollees can receive care outside of the territory with prior authorization, when medically necessary, and...
when services are not provided in Guam (CMS 2014a). All Medicaid enrollees under age 21 are eligible to receive early and periodic screening, diagnosis, and treatment (EPSDT) services (CMS 2014a).

Individuals in the new adult group are enrolled in an alternative benefit plan (ABP), which uses the territory employee plan as a benchmark benefit package. Medically frail members of the new adult group have the option of enrolling in the ABP or the traditional Medicaid plan. Enrollees under 100 percent GPL do not have any cost-sharing, but those over 100 percent GPL, including those enrolled in the ABP, must make small co-payments on prescription drugs (CMS 2016a, 2014b).

Delivery system

Most Medicaid services in Guam are provided through one public hospital, Guam Memorial Hospital, and a second private hospital which opened in January 2016. Guam's Medicaid program pays providers on a fee-for-service basis (CMS 2017). Guam residents can receive services from off-island or out-of-country providers under certain circumstances (CMS 2017, 2013).

Benefits for dually eligible beneficiaries

Guam provides cost-sharing assistance to dually eligible individuals who are eligible for full Medicaid benefits. It does not provide Medicare cost-sharing assistance to individuals who may qualify as partial dually eligible individuals in the states, that is, through Medicare Savings Programs, because these programs are not available in Guam or the other territories. Guam’s Medicaid program covers Medicare Part B premiums for individuals dually eligible for Medicare and Medicaid (CMS 2016d).

No Medicare Part D plans are currently available in Guam, but dually eligible individuals with cost-sharing for prescription drugs can receive subsidies through the Enhanced Allotment Plan, also referred to as 1935(e) funding (CMS 2016d). The Enhanced Allotment Plan provides additional federal funding allotments to Guam and the other territories to help low-income beneficiaries purchase prescription drugs. The allotment is not countable toward the ceiling on federal financial participation and can only be used for this purpose (§ 1935(e) of the Act).

Financing and Spending

The federal government and the government of Guam jointly finance Guam's Medicaid program. Guam must contribute its non-federal share of Medicaid spending in order to access federal dollars, which are matched at a designated federal medical assistance percentage (FMAP), otherwise known as the matching rate. Unlike the states, for which federal Medicaid spending is open ended, Guam can access federal dollars only up to an annual ceiling. The ceiling and matching rate are described in more detail below.

Federal funding

Federal Medicaid funding to Guam is subject to an annual funding ceiling specified in statute, which grows with the medical component of the Consumer Price Index for All Urban Consumers (§ 1108(g) of the Act).
Guam’s CHIP allotment is determined by the Centers for Medicare & Medicaid Services (CMS) based on prior year spending, the same methodology used for states. In fiscal year (FY) 2018, federal funding for Medicaid was $17.6 million and CHIP was $35.9 million (CMS 2018b).

In general, once Guam exhausts its annual federal Medicaid and CHIP ceilings, it must fund its program with local funds. However, Section 2005 of the ACA provided the territories with a total of $6.3 billion in additional federal funds for their Medicaid programs. Guam’s funds under Section 2005 totaled $268.3 million, which are available to be drawn down between July 2011 and September 2019. Section 1323 provided an additional $1 billion to the territories, $24.4 million of which was allocated to Guam. These funds are available to be drawn down between January 2014 and December 2019. Guam must contribute a non-federal share to access these funds (CMS 2016a). Once these funds expire or are exhausted, Guam will generally not be able to spend federal dollars beyond the ceiling for Medicaid.

Federal medical assistance percentage

The FMAP for Guam and the territories is statutorily set at 55 percent (§ 1905(b) of the Act), unlike that of the states, which are set using a formula based on states’ per capita incomes. Guam’s CHIP enhanced FMAP is 91.5 percent through September 30, 2019 (§ 2101(a) of the ACA, MACPAC 2015a, CMS 2016c). Like the states and other territories, Guam’s matching rate for almost all program administration is set at 50 percent (§ 1903(a)(7) of the Act).

The territories cannot claim the newly eligible FMAP of 100 percent available to states expanding to the new adult group; however, Guam is eligible for the expansion state enhanced FMAP for adults without dependent children that states were eligible to receive for expansions prior to the ACA, which is 93 percent in calendar year 2019 (§ 1905(z)(2) of the Act, CMS 2014d). In addition, Guam received a 2.2 percentage point temporary increase in its regular FMAP between January 1, 2014, and December 31, 2015 (§ 1905(z) of the Act).

Non-federal share

Guam finances its share of Medicaid program expenses using primarily general funds (CMS 2016d).

Total spending

Although Guam accounts for a small portion of Medicaid and CHIP spending in the territories, its share is second to that of Puerto Rico. In FY 2017, federal Medicaid spending in Guam was $53.8 million, or 3 percent of total federal Medicaid spending in the territories. Federal CHIP funding in Guam totaled $30.2 million, or 13.7 percent of total federal CHIP spending in the territories.
TABLE 1. Guam Medicaid and CHIP Spending FYs 2011–2017, by Source of Funds (millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Medicaid</th>
<th>CHIP</th>
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<tbody>
<tr>
<td></td>
<td>Federal ceiling</td>
<td>Federal spending</td>
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<tr>
<td>FY 2017</td>
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<tr>
<td>FY 2016</td>
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<tr>
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<tr>
<td>FY 2011</td>
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Notes: FY is fiscal year. Federal Medicaid ceilings reflect the annual ceilings for federal funds that territories receive under Section 1108(g) of the Social Security Act, while the actual federal spending reflects utilization of the additional allotments provided by the ACA, as well as spending not subject to the ceiling on federal financial participation. Federal CHIP allotments are provided under Section 2104 of the Social Security Act. If states and territories exhaust their own available CHIP allotments, they may receive additional funding from unused state CHIP allotments. Guam received these redistributed funds in FYs 2016 and 2017.

Source: MACPAC 2018; MACPAC 2018 analysis of CMS-64 financial management report net expenditure data and Guam Medicaid program expenditure narrative reports.

In FYs 2011–FY 2017, federal spending for Medicaid in Guam exceeded the annual Medicaid funding ceiling. This spending reflects use of the additional funds available under Sections 2005 and 1323 of the ACA. At the current rate of spending, Guam is unlikely to exhaust these additional allotments before they expire (CMS 2016d).5

Data and Reporting

Guam reports data on Medicaid and CHIP enrollment, budget and expenditures using Form CMS-37, and on aggregate and category-specific spending using Form CMS-64 (CMS 2016d). It additionally reports on upper payment limit (UPL) payments (CMS 2016c).

Like the other territories, Guam is not required to submit quarterly statistical and program expenditure data for CHIP (42 CFR 457.740). In addition, Guam is not required to report use of EPSDT services via Form CMS-416 (CMS 2016c).

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Guam does not have an operational Medicaid Management Information System (MMIS) for claims processing but is currently working on developing one. Funds used for the development of MMIS are not counted against Guam’s annual federal Medicaid ceiling and are eligible for a 90 percent match (CMS 2016d).

**Quality and Program Integrity**

Like the states, Guam uses a variety of quality and program integrity measures in its Medicaid programs. These include provider screening and enrollment provisions, criminal background checks on providers, and provisions related to non-payment for health care-acquired conditions and provider-preventable conditions (CMS 2012a, 2012b).

Guam is statutorily exempt from the Payment Error Rate Measurement program, repayments under the Medicaid Eligibility Quality Control program, and asset verification systems with financial institutions (42 CFR 431.954 and § 1903(u)(4) of the Act). It has not developed a Medicaid fraud control unit (CMS 2016d).

**Endnotes**

1 Unlike the states, Guam and the other territories are not required to establish Medicare Savings Programs (§ 1905(p)(4)(A) of the Act).

2 Like the other territories, Guam is not eligible for the Medicare Part D low-income subsidy (§ 1935(e)(1)(A) of the Act).

3 With the funds from Section 1323, territories could choose to establish a health insurance exchange or supplement their available federal Medicaid funds. Neither Guam nor the other territories chose to establish an exchange.

4 Federal funds for the Enhanced Allotment Plan, electronic health record incentive program payments, and the establishment and operation of eligibility systems and Medicaid Management Information Systems (MMIS) do not apply toward the ceiling.

5 For more information on territories’ use of the additional funds provided by the ACA and other legislation, see When Will the U.S. Territories Exhaust Federal Medicaid Funding? (Forthcoming.)

**References**


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