Medicaid and CHIP in American Samoa

American Samoa is a U.S. territory made up of seven islands in the South Pacific Ocean. It became a U.S. territory in 1900 and began participating in Medicaid in 1983 (CMS 2016a).

For the purposes of Medicaid and the State Children’s Health Insurance Program (CHIP), American Samoa is considered a state unless otherwise indicated (§ 1101(a)(1) of the Social Security Act (the Act)). However American Samoa has a Section 1902(j) waiver, which allows its Medicaid and CHIP programs to operate differently than programs in the 50 states and the District of Columbia (§ 1902(j) of the Act). Under this waiver, the Secretary of the U.S. Department of Health and Human Services may waive or modify any Medicaid requirement except the statutory annual limit on federal Medicaid funding, the federal medical assistance percentage (FMAP), and the requirement that payment can only be for services otherwise coverable by Medicaid (§ 1902(j) of the Act).

This fact sheet summarizes the main requirements and design features of American Samoa’s Medicaid and CHIP programs, including eligibility and enrollment, benefits, financing and spending, data and reporting, and quality and program integrity.

Eligibility and Enrollment

In American Samoa, Medicaid eligibility is not determined on an individual basis and individuals do not enroll in Medicaid or CHIP as in other territories and states. Instead, federal Medicaid and CHIP funds pay for care provided at the Lyndon B. Johnson Tropical Medical Center (LBJ) in proportion to the population of American Samoans with incomes below the Medicaid and CHIP income eligibility thresholds. The medical center is owned by the territory and is the only Medicaid provider in American Samoa. It provides almost all of the health care services in the territory at little or no out-of-pocket cost (CMS 2016a).

To determine the level of federal financial participation for Medicaid, American Samoa uses census data to calculate the proportion of American Samoans with income under 200 percent of the federal poverty level (FPL), referred to as the claiming percentage, and applies it to the total allowable expenditures for services provided at LBJ. The Medicaid claiming percentage excludes adults over age 65, children under age 19 with income between 100 and 200 percent FPL, and non-citizens of American Samoa. Individuals over age 65 are excluded from the Medicaid claiming percentage because they are dually eligible and covered by Medicare for most services. To determine the portion of care matchable at the CHIP enhanced matching rate, American Samoa calculates the claiming percentage for children under age 19 with income between 100 and 200 percent FPL. If CHIP expenditures as determined by this formula exceed the annual CHIP allotment and any redistribution CHIP funding, they can be added to Medicaid expenditures. The estimates of American Samoans below the Medicaid and CHIP income thresholds and the Medicaid and CHIP claiming percentages must be approved by CMS (CMS 2016b, 2014, 2012).
As of September 2017, 41,214 American Samoans were estimated to be below 200 percent FPL, approximately three-quarters of the population (CMS 2018b).

Benefits

Services at the medical center are available to every American Samoan generally without charge. American Samoa is exempt from covering mandatory benefits under its 1902(j) waiver; it provides only 10 of the mandatory benefits. For example, it does not provide nursing facility, nurse midwife, or freestanding birth center services, citing insufficient funding and lack of infrastructure (GAO 2016). It provides many optional benefits, including dental and psychologist services and outpatient prescription drugs (CMS 2016b). All Medicaid enrollees under 21 are eligible to receive early and periodic screening, diagnosis, and treatment (EPSDT) services (CMS 2016c).

In 2017, American Samoa added federally qualified health center (FQHC) services to the state plan and, under certain circumstances, off-island and out-of-country services (allowing American Samoans to access services in Hawaii or New Zealand) (CMS 2017b, c).

Benefits for dually eligible beneficiaries

The territory pays the cost of Medicare Part A and B deductibles and coinsurance for all American Samoans enrolled in Medicare. It claims the federal Medicaid match for the estimated proportion of these costs attributable to dually eligible beneficiaries. This calculation assumes that the percentage of Medicare beneficiaries who are dually eligible for Medicaid is the same as the percentage of American Samoans over age 65 who fall below 200 percent FPL. Therefore, the same determined percentage of all Medicare Part A and Part B deductible and coinsurance are allowable costs for Medicaid reimbursement (CMS 2012).

No Medicare Part D plans are currently available in American Samoa to provide prescription drug coverage. Dually eligible beneficiaries may obtain prescription drugs directly from LBJ generally without cost sharing (CMS 2016a). To help finance these costs, American Samoa receives a federal allotment from the Enhanced Allotment Plan (also known as 1935(e) funding), which was $322,609 in FY 2018 (CMS 2018c). This allotment is separate from the ceiling on federal Medicaid spending (§ 1935(e) of the Act).

Financing and Spending

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

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Federal funding

Federal Medicaid funding to American Samoa 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 (CPI-U) (§ 1108(g) of the Act). American Samoa’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 $11.9 million and CHIP was $4.6 million (CMS 2018b).

In general, once American Samoa exhausts its annual federal Medicaid and CHIP ceilings, it must fund its program with local funds. However, Section 2005 of the Patient Protection and Affordable Care Act (ACA, P.L. 111-148, as amended) provided the territories with a total of $6.3 billion in additional federal funds for their Medicaid programs. Section 2005 funds for American Samoa totaled $181.3 million, which are available to be drawn down between July 2011 and September 2019.4 Section 1323 provided an additional $1 billion to the territories, $16.5 million of which was allocated to American Samoa.5 These funds are available to be drawn down between January 2014 and December 2019.

American Samoa must contribute a non-federal share to access these funds (CMS 2016a). As of June 30, 2018, American Samoa had used $29.3 million, or 15 percent, of its total ACA funds. After these funds expire or are exhausted, the territory generally will not be able to spend federal dollars beyond the ceiling for Medicaid.6

Federal medical assistance percentage

The FMAP for American Samoa and the other territories is set statutorily at 55 percent, unlike that of the states, which are set using a formula based on states’ per capita incomes (§ 1905(b) of the Act). American Samoa’s CHIP enhanced FMAP is currently 91.5 percent (§ 2101(a) of the ACA, MACPAC 2018a). Like the states, the American Samoa’s federal matching rate for almost all program administration is set at 50 percent (§ 1903(a)(7) of the Act, CMS 2016b).

The territories cannot claim the newly eligible FMAP of 100 percent available to states expanding to the new adult group. Though territories are 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 CY 2019, American Samoa had not claimed any expenditures under this FMAP as of June 2018 (CMS 2018c, 2016b).7 In addition, American Samoa 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, CMS 2016a).

Non-federal share

American Samoa owns, operates, and funds the territory’s only hospital where almost all care in the territory is provided. The federal government provides the annual allotments for Medicaid and CHIP subject to their respective claiming percentages and matching rates. American Samoa finances these operations primarily through certified public expenditures (CMS 2016c). Due in part to limited capacity at the hospital to provide services, the territory has had difficulty generating non-federal share, and has drawn down its ACA allotment at a slower rate than other territories (CMS 2018a).

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Total spending

In FY 2017, federal Medicaid spending in American Samoa was $19 million, or 1.1 percent of all federal Medicaid spending in the territories. Federal CHIP funding totaled $3.6 million, or 1.6 percent of total federal CHIP spending in the territories (Table 1).

**TABLE 1. Medicaid and CHIP Spending in American Samoa FYs 2011–2017, by Source of Funds (millions)**

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<th>Year</th>
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<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 Patient Protection and Affordable Care Act (P.L. 111-148, as amended), 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. American Samoa received these redistributed funds in FYs 2016 and 2017.

**Sources:** MACPAC 2018b; MACPAC 2018 analysis of CMS-64 financial management report net expenditure data as of July 20, 2018, Medicaid and CHIP Budget Expenditure System data from CMS as of July 23, 201, and CMS regional office narrative reports for FYs 2011-2018.

In FYs 2011–2017, federal spending for Medicaid in American Samoa exceeded the annual funding ceiling. This spending reflects use of the additional funds available under Sections 2005 and 1323 of the ACA, which are available through September 2019. At the current rate of spending, American Samoa is unlikely to exhaust these funds before they expire (CMS 2016c).
Data and Reporting

American Samoa is exempt from all Medicaid data and reporting requirements under its 1902(j) waiver. However, it does report data on budgets and expenditures using Form CMS-37, and on enrollment and aggregate and category-specific spending using Form CMS-64 (CMS 2016c).

Like the other territories, American Samoa does not submit quarterly statistical and program expenditure data for CHIP. It also does not submit data on the use of EPSDT services via Form CMS-416 or data on upper payment limit payments. It has not yet set up a Medicaid Management Information System for claims processing and does not report Medical Statistical Information System data (CMS 2016c).

Quality and Program Integrity

American Samoa is exempt from federal quality and program integrity requirements under its 1902(j) waiver. It is unclear what provider screening or quality measures are in place internally at its government-owned hospital, the primary source of care on the island.

Endnotes

1 The Section 1902(j) waiver is only available to American Samoa and the Commonwealth of the Northern Mariana Islands.

2 Out-of-country providers are required to have Joint Commission International accreditation or meet credentialing standards, have a signed agreement with the American Samoa Medicaid agency, and satisfy Medicaid conditions of participation. Services can be furnished when emergency or medically necessary services are not available in American Samoa, when the out-of-country provider is the nearest source of care, or when the aggregate cost of needed care is less than the same care is provided in the United States, including transportation costs.

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

4 Section 1323 of the ACA also provided an additional $1 billion to be allocated among territories electing to establish a health insurance change. Neither American Samoa nor the other territories chose to establish an exchange.

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

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

7 Though American Samoa qualifies for this matching rate, it had not claimed expenditures in this category as of July 30, 2018 (CMS 2018c).

8 Spending over the cap also includes a small amount of expenditures not subject to the cap, including EAP spending. In FY 2017, EAP spending was approximately $300,000 (CMS 2017a).
For more information on American Samoa and other territories’ use of these funds and when they are expected to expire or run out, see “When Will the U.S. Territories Exhaust Federal Medicaid Funds?” (Forthcoming.)

References


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