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). This is $1,536 per month for a family of four or approximately 61 percent of the federal poverty level, which is $2,500 per month for a family of four in 2021 (ASPE 2021). 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, CMS 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 June 2019, 35,499 individuals were enrolled in Medicaid, or approximately one-fifth of Guam's population (MACPAC 2021)

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, diagnostic, 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 for prescription drugs (CMS 2016a, CMS 2014b).

Benefits for dually eligible beneficiaries

Guam provides Medicare 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.[1] 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.[2] The allotment is separate from the Section 1108 allotment described below and can only be used for this purpose (§ 1935(e) of the Act).

Delivery System

Most Medicaid services in Guam are provided through one public hospital, Guam Memorial Hospital, its affiliated clinics, 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, CMS 2013).

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, referred to as the Section 1108 cap or Section 1108 allotment.

Federal funding

Guam's annual Section 1108 allotment was set in statute when its Medicaid program was established in 1975 and grows with the medical component of the Consumer Price Index for All Urban Consumers (CMS

2016a) (§ 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 general, once Guam exhausts its annual federal Medicaid and CHIP allotments, it must fund its program with local funds.[3] However, Congress has provided time-limited supplemental federal Medicaid funds to Guam and other territories on several occasions, most recently through the FY 2020 appropriations package, signed into law on December 20, 2019 (P.L. 116-94) and the Families First Coronavirus Response Act, signed into law on March 18, 2020 (FFCRA, P.L. 116-127). These actions raised Guam's FY 2020 allotment from $18.4 million to $130.9 million and its FY 2021 allotment from approximately $18.8 million to $129.7 million (CMS 2019b).[4,5]

Additionally, the ACA provided the territories with a total of $7.3 billion in additional federal funds for their Medicaid programs (i.e., on top of their annual Section 1108 allotments). ACA Section 2005 provided $268.3 million to Guam, available to be drawn down between July 2011 and September 2019. ACA Section 1323 provided an additional $24.4 million, available from January 2014 to December 2019.[6]

Congress has not made additional funding available after FY 2021 (i.e., September 30, 2021), which means that for FY 2022 and future years, Guam's Section 1108 allotment will revert back to pre-P.L. 116-94 levels (approximately $19.2 million in FY 2022).

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, where the FMAP is set using a formula based on state per capita income. For FYs 2020 and 2021, Guam has a temporary FMAP of 83 percent. During the national emergency declared in response to the COVID-19 outbreak, Guam will receive the 6.2 percentage point increase provided by FFCRA to all states and territories, effective January 1, 2020. This brings Guam's FMAP to 89.2 percent during the emergency period. Guam will also receive a 100 percent CHIP enhanced FMAP during the emergency period (CMS 2020a, b).[7] 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).

Guam is eligible for enhanced matching rates for certain expenditures. 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 90 percent in calendar year 2020 (§ 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).

Guam finances its share of Medicaid program expenses primarily using general funds (CMS 2016d). Due to challenges raising the non-federal share, Guam was not expected to exhaust its ACA funds prior to expiration. In response to these difficulties and natural disasters affecting Guam in 2018 and 2019, Congress passed the Additional Supplemental Appropriations for Disaster Relief Act of 2019, P.L. 116-20 in June 2019; this made the territory's remaining ACA funds available at a 100 percent federal matching rate for the period between January 1 and September 30, 2019. Additionally, through the Continuing

Appropriations Act, 2020, and Health Extenders Act of 2019 (P.L. 116-59) and the Further Continuing Appropriations Act, 2020, and Further Health Extenders Act of 2019 (P.L. 116- 69), Congress provided Guam a temporary 100 percent matching rate for expenditures occurring from October 1, 2019 to December 20, 2019.

Total spending

In FY 2020, federal Medicaid spending in Guam was $122.8 million, or 4.4 percent of total federal Medicaid spending in the territories. Federal CHIP spending in Guam was $29.1 million, or 17 percent of total federal CHIP spending in the territories (Table 1).

TABLE 1. Guam Medicaid and CHIP Spending FYs 2011–2020, by Source of Funds (millions)

	Medicaid				CHIP			
Year	Section 1108 allotment	Federal spending	Guam spending	Total spending	Federal allotment	Federal spending	Guam spending	Total spending
FY 2020	$130.9	$122.8	$12.0	**$134.8**	$34.0	$29.1	$0.0	**$29.2**
FY 2019	18.0	108.3	7.7	**116.0**	32.8	31.9	2.7	**34.6**
FY 2018	17.6	56.3	29.5	**85.8**	28.1	30.6	2.6	**33.2**
FY 2017	17.0	53.8	29.4	**83.2**	26.6	30.2	0.1	**30.3**
FY 2016	16.4	45.8	24.0	**69.8**	8.0	24.1	1.9	**26.0**
FY 2015	16.1	47.4	35.8	**83.2**	5.9	5.9	2.5	**8.4**
FY 2014	15.7	43.4	33.1	**76.5**	4.8	4.8	2.1	**6.9**
FY 2013	15.2	34.0	28.1	**62.1**	4.5	4.5	2.1	**6.6**
FY 2012	14.6	23.4	19.3	**42.7**	4.4	4.4	2.0	**6.4**
FY 2011	17.4	18.4	16.9	**35.3**	4.2	4.2	2.2	**6.4**

Notes: FY is fiscal year. Section 1108 allotments reflect the annual federal allotments (also referred to as caps) that territories receive under Section 1108(g) of the Social Security Act. Federal spending in excess of the Section 1108 allotment for FYs 2011 – 2019 reflects use of the additional allotments provided by the ACA, as well as spending not subject to the cap. 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 2016–2018.

Source: MACPAC 2021 analysis of CMS-64 financial management report net expenditure data as of February 3, 2021; MACPAC 2020; CMS 2019b; MACPAC 2019 analysis of CMS regional office narrative reports for FYs 2011–2018.

As noted above, additional funds provided to Guam by P.L. 116-94 and FFCRA were structured as part of Guam's FYs 2020 and 2021 Section 1108 allotments. As a result, federal spending in FY 2020 did not exceed the allotment and is unlikely do so in FY 2021. n FYs 2011–FY 2019, federal Medicaid spending exceeded the annual Section 1108 allotment every year. This excess spending reflects use of the additional funds available under Sections 2005 and 1323 of the ACA., which were structured separately from the annual allotment Federal spending grew in FY 2019 due to the 100 percent matching rate available between January 1 and September 30, 2019; this is reflected in higher federal spending for FY 2019 relative to previous years. Spending continued to grow in FY 2020 (Table 1).

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 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).

Guam does not have an operational Medicaid Management Information System (MMIS) for claims processing but is currently working on developing one. It does not report information to T-MSIS, but is required to demonstrate reasonable progress towards doing so by October 1, 2021 (P.L. 116-94). Funds used for the development of MMIS are not counted against Guam's annual federal Medicaid allotment and are eligible for a 90 percent match (CMS 2016d).

Guam must report to the chair and ranking member of the House Committee on Energy and Commerce and the Senate Committee on Finance on how it used the extra funds provided by P.L. 116-94 within 30 days of the end of FYs 2020 and 2021.

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 and 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).

P.L. 116-94 included new program integrity requirements for Guam. Before the end of FY 2020, Guam is required to designate a program integrity lead within the Medicaid agency other than the Medicaid director.[8] Additionally, while the territory has not historically had a Medicaid Fraud Control Unit (MFCU), it is now required to take reasonable steps towards establishing a MFCU by October 2021.

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] 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 do not count against the Section 1108 allotment.

[4] P.L. 116-94 raised the FYs 2020 and 2021 allotments to $127 million. Subsequently, FFCRA raised the FY 2020 allotment to $130.9 million and the FY 2021 allotment to $129.7 million.

[5] We estimate what the FY 2021 allotment would have been without these additional funds by trending the pre-P.L 116-94 FY 2020 allotment by 2.3 percent (percent change in the medical component of the Consumer Price Index for All Urban Consumers for the 12-month period ending March 2019).

[6] 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.

[7] Prior to P.L. 116-94 and FFCRA, Guam's FY 2020 CHIP enhanced FMAP was 80 percent (§ 2101(a) of the ACA; MACPAC 2019). The 89.2 percent FMAP provided during the emergency period serves as the base for calculating the CHIP enhanced FMAP during the emergency period (CMS 2020a, b).

[8] Guam will be subject to an FMAP reduction in each quarter of FY 2021 if this requirement is not satisfied. The amount of the potential reduction is 0.25 percentage points multiplied by the number of quarters the requirement is not satisfied (not to exceed 5 percentage points).

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