



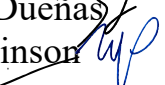
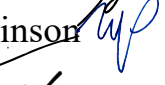





I Mina'trentai Siette Na Lihelaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
267-37 (COR)	Tina Rose Miña Barnes Roy A. B. Quinata Christopher M. Dueñas William A. Parkinson Jesse A. Lujan Frank Blas, Jr. Joe S. San Agustin Amanda L. Shelton Dwayne T.D. San Nicolas	AN ACT TO ADD A NEW § 5126.1 TO SUBARTICLE C, ARTICLE 2, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE DIVISION OF PUBLIC WELFARE TO JOIN OR USE CONTRACTS OF OTHER STATES, OTHER GOVERNMENT PROCUREMENT UNITS, OR NOT-FOR-PROFIT ENTITIES COMPRISING ONE OR MORE STATES OR GOVERNMENT PROCUREMENT UNITS.	4/11/24 8:54 a.m.						Exhibit A and Exhibit B

I MINA' TRENTAI SIETTE NA LIHESLATURAN GUAHAN
2024 (SECOND) Regular Session

Bill No. 267-37 (COR)

Introduced by:

Tina Rose Muña Barnes 
 Roy A. B. Quinata 
 Christopher M. Dueñas 
 William A. Parkinson 
 Jesse A. Lujan 
 Frank F. Blas, Jr. 
 Joe S. San Agustin 
 Amanda L. Shelton 
Dwayne San Nicolas 

AN ACT TO ADD A NEW § 5126.1 TO SUBARTICLE C, ARTICLE 2, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE DIVISION OF PUBLIC WELFARE TO JOIN OR USE CONTRACTS OF OTHER STATES, OTHER GOVERNMENT PROCUREMENT UNITS, OR NOT-FOR-PROFIT ENTITIES COMPRISING ONE OR MORE STATES OR GOVERNMENT PROCUREMENT UNITS.

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that

3 the Centers for Medicare & Medicaid Services (CMS) is responsible for

4 implementing federal laws related to Medicaid and the Children’s Health Insurance

5 Program (CHIP). CMS is the grantor for Guam Medicaid, which provided health

6 care coverage for Forty-Two Thousand Six Hundred Six Hundred Nine (42,609)

7 individuals, including Eighteen Thousand Eight Hundred Eight) 18,808 children, in

8 December 2023.

1 *I Liheslatura* finds that, in accordance with 42 CFR Part 433 Subpart C, CMS
2 offers Ninety Percent (90%) Federal Financial Participation for the design,
3 development, installation, or enhancement of mechanized claims processing and
4 information retrieval systems and eligibility and enrollment systems if such systems
5 meet standards set by CMS. CMS requires that any system which is designed,
6 developed, installed, or enhanced with the Ninety Percent (90%) Federal Financial
7 Participation funding (1) is owned by the State which designed, developed installed,
8 or improved such software, (2) is subject to royalty free, non-exclusive, and
9 irrevocable license for the CMS to reproduce, publish or otherwise use and authorize
10 others to use software, modifications, and documentation, and (3) has a number of
11 other features that make such systems easier to allow sharing, leverage, and reuse of
12 such technologies within in among States. In addition, enhanced funding is provided
13 to states at Seventy-Five Percent (75%) Federal Financial Participation to operate
14 compliant systems.

15 *I Liheslatura* finds that many states and territories have systems that meet the
16 requirements of CMS with regards to mechanized claims processing and information
17 retrieval systems and eligibility and enrollment systems.

18 *I Liheslatura* further finds that CMS encourages leverage and reuse of
19 technologies which have been successfully implemented in other states and
20 territories, and has directly communicated to Guam Medicaid to leverage and reuse
21 existing software systems which have been developed and meet CMS’ standards.
22 Specifically, it said:

23 “Guam is strongly encouraged to leverage cooperative purchasing
24 through multi-state or territory collaborations, General Services
25 Administration (GSA) Multiple Award Schedules (MSAs), and nonprofits
26 like the National Association of State Procurement Officials (NASPO). CMS
27 supports NASPO’s ValuePoint Cooperative Contracts, and as a result has

1 approved the supporting Request for Procurements (RFPs) and Master
2 Agreements. In addition, CMS believes that reuse enables the federal
3 government, states, and territories to effectively share MES information
4 technology (IT) assets to reduce risk, lower implementation, and operational
5 costs, accelerate development and service delivery timelines, increase
6 consistency across Medicaid programs, and improve the overall quality and
7 maturity of all MES.”

8 *I Liheslatura* finds that the Division of Public Welfare, which administers
9 Guam Medicaid on behalf of the Department of Public Health and Social Services,
10 has not been explicitly granted authority under the Guam Procurement Code to
11 leverage and reuse contracts of other states, other government procurement units, or
12 not-for-profit entities such as NASPO.

13 Therefore, it is the intent of the *I Liheslaturan Guåhan* to authorize the
14 Division of Public Welfare of the Department of Public Health and Social Services
15 to join or use contracts of other states, other government procurement units, or not-
16 for-profit entities comprising one or more states or government procurement units
17 by adding a new § 5126.1 to Subarticle C, Article 2, Chapter 5, Title 5, Guam Code
18 Annotated.

19 **Section 2. Joinder or Mutual Use of Contracts by Division of Public**
20 **Welfare.** A new § 5126.1 is hereby added to Subarticle C, Article 2, Chapter 5, Title
21 5, Guam Code Annotated, to read:

22 **“§ 5126.1. Joinder or Mutual Use of Contracts by Division of Public**
23 **Welfare.**

24 The Division of Public Welfare of the Department of Public Health and
25 Social Services is authorized to join or use the contracts of other states, other
26 government procurement units, or not-for-profit entities comprising one or
27 more states or government units, within the United States, with the

1 authorization of the contracting vendor. The other states, other government
2 units, or not-for-profit entities are not liable for the obligations of the Guam
3 governmental entity which joins or uses the contract. Before any joinder or
4 mutual use may take place, the contracting officer must determine in writing
5 that the other jurisdiction's contract has gone through a competitive
6 procurement process. For the purposes of this Section, the Division of Public
7 Welfare of the Department of Public Health and Social Services is exempt
8 from § 5004 of this Chapter.”



GOVERNMENT OF GUAM
DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES
DIPATTAMENTON SALUT PUPBLEKO YAN SETBISION SUSIAT

LOURDES A. LEON GUERRERO
MAGA'HAGAN GUAHAN
GOVERNOR OF GUAM

PETERJOHN D. CAMACHO, MPH
ACTING DIRECTOR

JOSHUA F. TENORIO
SEGUNDO MAGA'LAHEN GUAHAN
LT. GOVERNOR OF GUAM

TERRY G. AGUON
DEPUTY DIRECTOR

April 9, 2024

Vice Speaker Tina Rose Muña Barnes

The Honorable Tina Rose Muña-Barnes
Vice Speaker
37th Guam Legislature
163 Chalan Santo Papa
Hagåtña, Guam 96910

APR 09 2024
Time 4:00 AM (PM)
Received By:

Subject: Partnership on Leverage and Reuse of Eligibility and Enrollment (E&E) and Medicaid Management Information Management System (MMIS)

Vice Speaker Muña-Barnes,

Thank you for meeting with us and discussing possible solutions to our timeliness, both for enrolling individuals and paying claims in a timely manner. I thank you for taking the time to read our Strategic Plan and preparing questions for us to answer, and tell you that you are asking the proper questions.

We are including Speaker Therese M. Terlaje, Chair on the Committee on Health, and Senator Sabina F. Perez, Chair on the Committee on Procurement, in our response so that you are all aware why the solution you suggested will benefit individuals who are or will become enrolled in Medicaid and MIP, and Medicaid providers. Clarifying the intent of the legislature by amending 5 GCA §5126 to add the Division of Public Welfare (DPW) of the Department of Public Health and Social Services and to specify that *existing* agreements could be leveraged by DPW to remove any ambiguity in the law about whether Guam Medicaid can leverage and reuse agreements from other states, as has been advocated by the Centers for Medicare and Medicaid Services (CMS).

The Division of Public Welfare has two bureaus that are involved in the administration of the Guam Medicaid Program and MIP, the Bureau of Healthcare Financing Administration (BHCFA) and the Bureau of Economic Security (BES). Since 1988, the management, operations, and quality management of Medicaid is under BHCFA, but eligibility and enrollment is under BES. Almost 10 years ago, BES was given the authority under Guam law (5 GCA §5126) to use Joinder and/or Mutual Use contracts. This allowed BES to successfully implement its EBT system through a competitively-bid cooperative procurement since that time.

In accordance with the Department of Public Health and Social Services' September 2023 Territorial Evaluation and Strategic Plan for Guam Medicaid Program Improvement (Strategic Plan), the Division of Public Welfare is moving toward the implementation of data system improvements for an Eligibility and Enrollment (E&E) and Medicaid Management Information Management System (MMIS) that will meet CMS standards.

42 CFR §433.112 allows Medicaid State Agencies to leverage and reuse agreements from other state agencies in an effort to maximize the impact of CMS money and expand usage of CMS-approved systems

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Letter from Chief Human Services Administrator Carlos B. Pangelinan to Vice Speaker Tina R. Muna-Barnes
Subject: Partnership on Leverage and Reuse of Eligibility and Enrollment (E&E) and Medicaid Management Information Management System (MMIS)

to jurisdictions that either can't afford expensive procurement, or don't have local resources available in their areas to take advantage of technology to improve delivery of services to their customers and providers. In the letter addressed to the Guam Medicaid Program in support for leverage and reuse agreements and NASPO contracts, Mr. Ed Dolly, the Director of the Division of State Systems at CMS stated:

"Guam is strongly encouraged to leverage cooperative purchasing through multistate or territory collaborations, General Services Administration (GSA) Multiple Award Schedules (MSAs), and nonprofits like the National Association of State Procurement Officials (NASPO). CMS supports NASPO's ValuePoint Cooperative Contracts, and as a result has approved the supporting Request for Procurements (RFPs) and Master Agreements."

"As a reminder, 42 CFR § 433.112(b), requires states and territories to "promote sharing, leverage, and reuse of Medicaid technologies and systems" across states and territories as one of the conditions for enhanced funding. Furthermore, 45 CFR § 95.617, requires the inclusion of a "clause in all procurement instruments that provides that the State or local government will have all ownership rights in software or modifications thereof and associated documentation designed, developed or installed with FFP under this subpart."

As discussed earlier, BES has been able to successfully implement cooperative purchasing under 5 GCA §5126. From our perspective, it seems that BES can procure an E&E System under 5 GCA §5126, but there may be room for an interpretation of the provision that could cast the authority into doubt should BES attempt to acquire an existing system which is in use in another state, rather than being an original participant in a procurement from the beginning. Once BES is able to acquire a state of the art E&E system, we believe there will be a rapid improvement in the timeliness of processing applications for public assistance, not just for Medicaid and MIP, but also for SNAP and Cash Assistance programs, as each of these use the same data system.

A more significant issue with the existing provision §5126, however, is that BHCFA is not included. That means that while BES could acquire an E&E system, given the appropriate interpretation of the existing provision, arguing that it could acquire an MMIS or a mechanized claims processing and information retrieval system is less certain, as claims processing is the responsibility of BHCFA, not BES.

There is a major financial incentive for Guam Medicaid to favor the use of systems which have been implemented successfully in other states, as using CMS-approved systems will allow Guam Medicaid to have a 75% Federal Financial Participation (FFP) for the operation of the system, rather than the administrative expense FFP rate of only 50% which could be faced for unapproved systems. That means Guam taxpayers would have to pay twice as much (assuming the same annual system cost) if the system Guam Medicaid acquires is not able to meet CMS standards.

Acquiring a state of the art mechanized claims processing and information retrieval system would substantially improve the ability to process and pay claims, improve program integrity, and allow greater efforts toward processing prior authorization requests and add value to Medicaid patients and providers by improving service. In addition, many of the currently labor-intensive federal reporting requirements would be able to be completed by or with the assistance of system-generated reports.

I have listed below some of the benefits that procuring a new E&E System and MMIS would provide to the Division of Public Welfare and the most vulnerable of our residents.

Manpower Optimization. A shortage of manpower poses significant challenges to timely and accurate eligibility and enrollment, claims and federal reporting processes. By implementing an automated system procured through a leveraged or reused contract with another state, the Division of Public Welfare can optimize existing resources, reallocating personnel from manual processing tasks to more value-added

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Subject: Partnership on Leverage and Reuse of Eligibility and Enrollment (E&E) and Medicaid Management Information Management System (MMIS)

roles such as customer service and case management. This strategic realignment enhances operational efficiency and improves overall service delivery without the need for additional hiring or training.

Paperless Process Efficiency. Traditional paper-based application methods are prone to errors, delays, and administrative burdens. Transitioning to an automated eligibility and enrollment system streamlines the application process, reduces manual data entry, and minimizes the risk of errors. Applicants can conveniently submit information online, facilitating faster processing and reducing the administrative overhead associated with paper applications. By eliminating the reliance on paper, the Division of Public Welfare would enhance operational efficiency, reduce resource consumption, and minimize the environmental impact.

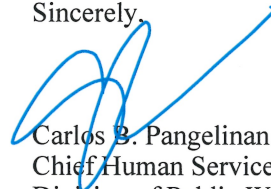
Timeliness and Compliance. Timeliness is paramount in healthcare eligibility and enrollment to ensure timely access to benefits and avoid penalties associated with non-compliance. Manual processing of paper applications often leads to delays, increasing the risk of non-compliance and incurring penalties. An automated system procured through a leveraged or reused contract enables BES to automate workflows, establish predefined timelines for processing, and implement automated alerts and reminders to ensure timely action. By proactively addressing timeliness concerns, the Division of Public Welfare would mitigate the risk of penalties and maintains compliance with regulatory requirements.

Audit Trail and Reporting. An automated E&E system and MMIS would offer robust audit trail capabilities, enabling the Division of Public Welfare to track application statuses, monitor processing times, and generate comprehensive reports for internal review and external audits. This transparency enhances accountability, facilitates performance monitoring, and supports continuous process improvement initiatives. By taking advantage of the reporting capabilities of the automated system procured through a leveraged or reused contract, the Division of Public Welfare can demonstrate compliance with timeliness requirements and proactively address any areas needing improvement.

In conclusion, leveraging or reusing a contract to obtain an automated E&E system or MMIS offers the Division of Public Welfare a strategic solution to address manpower shortages, paper application challenges, and timeliness concerns. By optimizing manpower, streamlining processes, and enhancing compliance capabilities, the Division of Public Welfare can improve operational efficiency, reduce administrative burdens, and mitigate the risk of penalties associated with non-compliance. Through the implementation of an automated system, the Division of Public Welfare demonstrates its commitment to enhancing service delivery and ensuring timely access to benefits, including to Guam Medicaid for eligible residents of Guam.

If you have any questions or concerns with regard to this matter, please do not hesitate to contact me via phone at (671)488-1839 or via email at Carlos.Pangelinan@dphss.guam.gov.

Sincerely,



Carlos B. Pangelinan
Chief Human Services Administrator
Division of Public Welfare

Attachments

CC: Speaker Therese M. Terlaje Senator Sabina F. Perez

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-22-16
Baltimore, Maryland 21244-1850



November 14, 2023

Carlos Pangelinan
Interim Administrator
Bureau of Health Care Financing Administration, Medicaid Program
Guam Department of Public Health and Social Services
123 Chalan Kareta
Mangilao, GU 96913-6304

Vice Speaker Tina Rose Muiña Barnes

APR 09 2024

Time 4:00 AM (MPM)
Received By: [Signature]

Dear Interim Administrator Pangelinan,

As the Territory of Guam considers the path for advancing its Medicaid Enterprise Systems (MES), the Centers for Medicare & Medicaid Services (CMS) strongly encourages the territory to consider cooperative purchasing agreements as a mechanism to sharing resources and solutions as they can reduce acquisition lead time and administrative burden and costs. The intent of this memo is to highlight some of the requirements, benefits, and resources associated with MES reuse that may assist Guam with procurements for future data systems improvements.

Guam is strongly encouraged to leverage cooperative purchasing through multistate or territory collaborations, General Services Administration (GSA) Multiple Award Schedules (MSAs), and nonprofits like the National Association of State Procurement Officials (NASPO). CMS supports NASPO’s ValuePoint Cooperative Contracts, and as a result has approved the supporting Request for Procurements (RFPs) and Master Agreements.

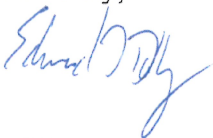
In addition, CMS believes that reuse enables the federal government, states, and territories to effectively share MES information technology (IT) assets to reduce risk, lower implementation, and operational costs, accelerate development and service delivery timelines, increase consistency across Medicaid programs, and improve the overall quality and maturity of all MES.

Pursuant to Section 5101(f) of the Consolidated Appropriations Act (CAA) 2023 and subsection (i) to Social Security Act (SSA) 1108(g) (42 U.S.C. §1308), CMS would like to remind the Territory that both the use of cooperative agreements and the consideration of partnering with other states or territories to leverage and reuse such existing systems cooperative agreements, is an essential characteristic of the required alternatives analysis necessary to secure enhanced federal financial participation (FFP).

As a reminder , 42 CFR § 433.112(b), requires states and territories to “promote sharing, leverage, and reuse of Medicaid technologies and systems” across states and territories as one of the conditions for enhanced funding. Furthermore, 45 CFR § 95.617, requires the inclusion of a “clause in all procurement instruments that provides that the State or local government will have all ownership rights in software or modifications thereof and associated documentation designed, developed or installed with FFP under this subpart.”

For more information, please refer to State Medicaid Directors ([SMD letter # 18-005](#)) (RE: CMS-2392-F Mechanized Claims Processing and Information Retrieval Systems – Reuse). CMS is committed to ongoing collaboration with territories around standards, governance, and information sharing to support reuse and ease procurement or acquisition burden.

If you have any further questions or would like to receive targeted technical assistance related to reuse and cooperative agreements, please contact your MES state officer, Chaveal Simmons, at chaveal.simmons@cms.hhs.gov. We look forward to continuing our partnership with Guam as you plan, design, develop, and operationalize future data systems and improvements.

Sincerely, Edward Dolly -
 S
2023.11.15
11:51:14
Director, Division of State Systems

Interim Administrator Pangelinan - 2