

## **Table of Contents**

**State/Territory Name: Guam**

**State Plan Amendment (SPA) #: 21-0005**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

**DEPARTMENT OF HEALTH & HUMAN SERVICES**  
Centers for Medicare & Medicaid  
Services 601 E. 12th St., Room 355  
Kansas City, Missouri 64106



**Medicaid and CHIP Operations Group**

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March 25, 2022

MA Theresa L. Arcangel  
Health Services Administrator  
Department of Public Health & Social Services  
Bureau of Health Care Financing Administration  
155 Hesler Place  
Hagatna, GU 96910

Re: Guam State Plan Amendment (SPA) 21-0005

Dear Ms. Arcangel:

We have reviewed the proposed State Plan Amendment (SPA) 21-0005, which was submitted to the Centers for Medicare & Medicaid Services on December 31, 2021. This SPA revises prosthetic device coverage and reimbursement, and revises reimbursement for eyeglasses and outpatient hospital services.

Based on the information provided, we are approving SPA 21-0005 with an effective date of October 20, 2021. We are enclosing the approved CMS-179 and the following Medicaid state plan pages to be incorporated into your State Plan:

- Supplement to Attachment 3.1-A pages 35 to 38
- Attachment 4.19-B pages 1 to 5

During the course of review, CMS reviewed service limitations and the requirement that states and territories provide all medically necessary services that are coverable under Medicaid to children eligible for the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit and that are necessary to correct or ameliorate an identified condition, whether or not such services are covered under the state plan. Based on our review, CMS has determined action is needed in order to ensure compliance with Medicaid statute and regulations as outlined in a companion letter issued with this approval.

If you have any questions or need further assistance, please contact Barbara Prehmus at (303) 844-7472 or [barbara.prehmus@cms.hhs.gov](mailto:barbara.prehmus@cms.hhs.gov).

Sincerely,



Digitally signed by James G.  
Scott -S  
Date: 2022.03.25 13:19:19  
-05'00'

James G. Scott, Director  
Division of Program Operations

Enclosures

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
601 E. 12th St., Room 355  
Kansas City, Missouri 64106



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March 25, 2022

MA Theresa L. Arcangel  
Health Services Administrator  
Department of Public Health & Social Services  
Bureau of Health Care Financing Administration  
155 Hesler Place  
Hagatna, GU 96910

RE: TN 21-0005 Companion letter

Dear Ms. Arcangel:

This letter is being sent as a companion to our approval of Guam state plan amendment (SPA) transmittal #21-0005. The SPA revises coverage of prosthetic devices and revises reimbursement methodologies for outpatient hospital and eyeglasses services.

Our review of SPA 21-0005 included a review of limitations for services as defined in the state plan and the requirement that individuals under age 21 are provided medically necessary services beyond specified limitations. The Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit at section 1905(a)(4)(B) of the Social Security Act (the Act), as defined at section 1905(r) of the Act, requires that states and territories provide all medically necessary services to EPSDT eligible children that are coverable under the Medicaid program and are necessary to correct or ameliorate an identified condition, whether or not such services are covered under the state plan. On Attachment 3.1-A Page 33 of 43, item 11.c., speech therapy is not a coverable service in the Guam state plan. On attachment 3.1-A Page 15 of 43, item 4.b., the EPSDT benefit language states that services are limited to medical care as covered under the Guam state plan. Please confirm the speech therapy benefit and any other 1905(a) benefit is covered for EPSDT eligible children pursuant to sections 1902(a)(10)(A), 1905(a)(4)(B), and 1905(r) of the Act.

Guam should revise the state plan language at attachment 3.1-A Pages 12-15 item 4.b. to indicate that services provided to EPSDT eligible children are coverable under the Medicaid program as are necessary to correct or ameliorate an identified condition, whether or not such services are covered under the state plan and provide written assurance confirming that all 1905(a) benefits are covered for EPSDT eligible children pursuant to sections 1902(a)(10)(A), 1905(a)(4)(B), and 1905(r) of the Act.

The Territory has 90 days from the date of this letter, to address the issues described above. Within that period, the Territory may submit a SPA or submit a Corrective Action Plan describing how the Territory will resolve the issues identified above in a timely manner. Failure to respond will result in the initiation of a formal compliance process. During the 90 days, CMS will provide any required technical assistance.

If you have any questions regarding this letter, please contact Barbara Prehmus at [Barbara.prehmus@cms.hss.gov](mailto:Barbara.prehmus@cms.hss.gov) or (303) 844-7472

Sincerely,

A black rectangular redaction box covers the signature of James G. Scott.

Digitally signed by James  
G. Scott -S  
Date: 2022.03.25 13:19:58  
-05'00'

James G. Scott, Director  
Division of Program Operations

Enclosure

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>	1. TRANSMITTAL NUMBER: 21-0005	2. STATE Guam
	3. PROGRAM IDENTIFICATION: Title XIX of the Social Security Act (Medicaid)	
<b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>	4. PROPOSED EFFECTIVE DATE: October 20, 2021	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT

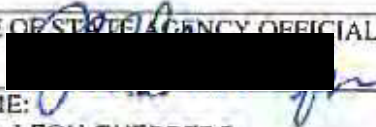
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: Title XIX of the Social Security Act, Section 1902	7. FEDERAL BUDGET IMPACT: a. FFY 2022 \$ 2,766,113.00 b. FFY 2023 \$ 2,904,419.00
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: <del>Page 5 Attachment 3.1-A</del> Pages 35 to 38 Supplement to Attachment 3.1-A Pages 35 to 38 Pages 1 to 5 Attachment 4.19-B	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): <del>Page 5 Attachment 3.1-A</del> Pages 35 to 38 Supplement to Attachment 3.1-A Pages 1 to 5 Attachment 4.19-B


10. SUBJECT OF AMENDMENT:  
Guam Outpatient and Eyeglasses Reimbursement Methodology, and Prosthetic ~~and Orthotic~~ Devices Coverage

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Department of Public Health & Social Services Bureau of Health Care Financing Administration 155 Hesler Place Hagatna, GU 96910
13. TYPED NAME: LOURDES A. LEON GUERRERO	
14. TITLE: GOVERNOR OF GUAM	
15. DATE SUBMITTED: 12/31/2021	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: 12/30/2021	18. DATE APPROVED: March 25, 2022
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 10/20/2021	20. SIGN  IONAL OFFICIAL: Digitally signed by James G. Scott -S Date: 2022.03.25 13:20:36 -05'00'
21. TYPED NAME: James G. Scott	22. TITLE: Director, Division of Program Operations

23. REMARKS:  
Pen & ink changes to Boxes 8, 9 and 10 authorized via email on 3/23/2022.

12.a. Prescribed Drugs

Benefit Limitations

1. Covered Services

- a. Limited to drugs listed in the Medicaid Drug or are Prior Authorized.
- b. Contraceptive or prescriptions for family planning purposes.
- c. Prenatal vitamin/mineral supplements for pregnant women.
- d. Smoking Cessation: All to include approved Food and Drug Administration (FDA) drugs. Prior Authorization is required for extended treatment duration past 90 days (24 weeks for Varenicline) and number of cessation attempts exceeding 2 per year.
- e. Medically necessary mineral supplements.

2. Not covered services

- a. Experimental Drugs.
- b. Vitamins, vitamin/minerals.
- c. Obesity control pharmaceutical.
- d. Over-The-Counter (OTC) drugs except for drugs included in the Medicaid Drug Formulary for special reasons.

12.b. Dentures

Benefit Limitations

Dentures are covered when part of a post-trauma treatment.

12.c. Prosthetic Devices

Prosthetic devices are replacement, corrective or supportive devices prescribed by a physician or other licensed practitioner to:

- artificially replace a missing portion of the body,
- Prevent or correct physical deformity or malfunction, or
- Support a weak or deformed portion of the body.

Benefit Limitations

Medically necessary prosthetic devices, certain to save life or significantly alter an adverse prognosis, and requires prior authorization.



12.d. Eyeglasses

Eyeglasses are lenses and/or frames prescribed by an ophthalmologist or an optometrist.

Benefit Limitations

1. Covered Services

- a. Eyeglasses limited to one pair every two (2) years except when determined medically necessary, and authorized by the territory. Individuals under the age of twenty-one may receive additional benefits pursuant to EPSDT. Services requires prior authorization.

2. Not covered services

- a. Eyeglasses with correction of below plus or minus (+ or -), 50 diopters or 10 cylinder axis.
- b. Contact lenses.
- c. Sunglasses.

13.a. Diagnostic Services

Benefit Limitations

Diagnostic services include any medical procedures or supplies recommended by a physician or other licensed practitioners within their scope of practice according to state law to identify the existence, nature, or extent of illness, injury, or other health deviation.

State/Territory: GUAM**OTHER TYPE OF SERVICES REIMBURSEMENTS****I. Reimbursement Rates****A. Hospital Ancillary Services**

Medicaid will reimburse Guam hospital ancillary services to include operating room, laboratory, radiology, dialysis, and physical, occupational and inhalation therapy, etc. based on the hospital's Medicare Interim Rate.

**B. Hospital Based Clinic Services**

Medicaid will reimburse Guam hospital-based clinic services based on the hospital's Medicare Interim Rate.

**C. Hospital Outpatient and Emergency Room Services**

Medicaid will reimburse Guam hospital outpatient and emergency room services to include outpatient hemodialysis services, physical therapy, and occupational therapy based on the hospital's Medicare Interim Rate.

**D. Laboratory Services**

Medicaid will reimburse laboratory services at the lowest of the billed charges or the 100% Current Hawaii/Guam Medicare Fee Schedule published at <https://med.noridianmedicare.com>.

**E. Radiological Services**

Medicaid will reimburse radiological services at 100% Current Hawaii/Guam Medicare Fee Schedule published at <https://med.noridianmedicare.com>.

If the fee schedule is not available and not covered by Medicare, Medicaid will utilize the Current Medicare RBRVS Fee Schedule calculated based on Hawaii/Guam locality published at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/PFS-Relative-Value-Files>.

**F. Physician Services****1. Primary Care Physician Services/Evaluation and Management Services**

Medicaid will reimburse physician services at 100% Current Hawaii/Guam Medicare Fee Schedule published at <https://med.noridianmedicare.com>.

If the fee schedule is not available and not covered by Medicare, Medicaid will utilize the Current Medicare RBRVS Fee Schedule calculated based on Hawaii/Guam locality published at published at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/PFS-Relative-Value-Files>

**2. Anesthesia Services**

State/Territory: GUAM

Medicaid will reimburse anesthesia services at [2008 Crosswalk American Society of Anesthesiologist (ASA) Base Anesthesia Unit + Time Unit + ASA Physical Status Unit (any modifying factor/qualifying circumstance)] x Current Hawaii/Guam Medicare Fee Schedule Conversion Factor (CF) published at <https://med.noridianmedicare.com>. Time Unit is based on 15 minutes increments.

3. Surgery and All Other Physician Services

Medicaid will reimburse surgery and all other physician services at 100% Current Hawaii/Guam Medicare Fee Schedule published at <https://med.noridianmedicare.com> and the assisting physician surgeon at 15% of surgeon's fee.

If the fee schedule is not available and not covered by Medicare, Medicaid will utilize the Current Medicare RBRVS Fee Schedule calculated based on Hawaii/Guam locality published at published <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/PFS-Relative-Value-Files>

G. Other Practitioner Services

Medicaid will reimburse nurse midwives at 65% Current Hawaii/Guam Medicare Fee Schedule published at <https://med.noridianmedicare.com> and other practitioners at 85% Current Hawaii/Guam Medicare Fee Schedule published at <https://med.noridianmedicare.com>.

H. Home Health Care Services

1. Nursing Services

Medicaid will reimburse nursing services based on the CMS Federal Register National Per-Visit Rate (Federal Register Website).

2. Home Health Aide Services

Medicaid will reimburse home health aide services based on the CMS Federal Register National Per-Visit Rate (Federal Register Website).

3. Durable Medical Equipment (DME) and Supplies

Medicaid will reimburse DME and supplies at 100% Current Hawaii/Guam Medicare Fee Schedule published at <https://med.noridianmedicare.com> and not to exceed provider's acquisition cost.

4. Physical Therapy, Occupational Therapy, Speech Pathology and Audiology Services

Medicaid will reimburse physical and occupational therapy based on the CMS Federal Register National Per-Visit Rate (Federal Register Website), and speech pathology and audiology services based at 100% Current Hawaii/Guam Medicare Fee Schedule published at <https://med.noridianmedicare.com>.

I. Clinic Services

Medicaid will reimburse clinic services as outlined in section (D) to (H), (K) to (O), and (Q) to (S).

State/Territory: GUAM

J. Dental Services

Medicaid will reimburse dental services at the program fee schedule in effect January 1, 2011 published at <http://dphss.guam.gov/resources-bhcf/>.

K. Physical and Occupational Therapy

Medicaid will reimburse physical and occupational therapy at 100% Current Hawaii/Guam Medicare Fee Schedule published at <https://med.noridianmedicare.com> for services rendered in a non-facility setting.

L. Hearing Aids

Medicaid pays the provider's charges not to exceed provider's acquisition cost.

M. Prescribed Drugs

The Medicaid Drug Formulary consist of the drug name and strength, the MAC and maximum and minimum allowable quantity, and updated every calendar year, January 1<sup>st</sup>. The MAC is based on the lowest updated Average Wholesale price on the Red Book, plus a dispensing fee of \$4.40. MAC as used by Guam Medicaid means the upper limit payable for any service under Medicaid.

If the pharmacist has drugs with ingredient price less than the MAC, pharmacist is required to charge Medicaid the lower price. If the drug price is not available in the Red Book/Medicare, Medicaid will utilize the pharmacist's acquisition cost except in case of HHS/MAC drugs must use the rate set by the Secretary of HHS.

N. Prosthetic and Orthotic Devices

Medicaid will reimburse prosthetic and orthotic devices at 100% Hawaii/Guam Medicare 1<sup>st</sup> Quarter Fee Schedule, updated annually, which is published at <https://med.noridianmedicare.com/web/jddme/fees-news/fee-schedules/dmepos> and not to exceed provider's acquisition cost.

O. Eyeglasses

Medicaid will reimburse provider charges for corrective eyeglasses, not to exceed one hundred fifty dollars (\$150.00) and bifocal eyeglasses not to exceed two hundred dollars (\$200.00) including lens and frame.

P. Mental Health Rehabilitative Services

1. Service Plan Development/Crisis Evaluation Plan

Medicaid will reimburse the first 15 minutes \$24.80; next 15 minutes increment \$16.00; maximum 3 hours.

2. Therapy and Medication Management

Medicaid will reimburse individual therapy, group therapy, family counseling, medication management as outlined in section (F) and (G).

State/Territory: GUAM

3. Care Coordination

Medicaid will reimburse the first 15 minutes \$10.40; next 15 minutes increment \$8.00; maximum 1.5 hours.

Q. Hospice Care

Medicaid will pay according to the Annual Hospice Rates Established under Medicare published at [www.cms.gov/center/hospice.asp](http://www.cms.gov/center/hospice.asp).

R. Medical Transportation Services

Medicaid will reimburse medical transportation services on negotiated rates starting at 100% Current Hawaii/Guam Medicare Fee Schedule published at <https://med.noridianmedicare.com> and not to exceed 90% of Provider's Usual Customary Charges.

Medicaid does not reimburse for non-emergency medical transportation expense on the usage of their car or transportation provided by friends, family or bus because Guam is 30 miles long and 4 miles to 12 miles wide, and the distance of travel and associated costs are minimal.

S. Dialysis Services

Medicaid will reimburse dialysis services at Medicare Fee Schedule published at <https://med.noridianmedicare.com/web/;fb/article-detail/-/view/10546/mln-connects-speedition-november-3-2020-esrd-home-health-payment-rules> and not to exceed 90% of Provider's Usual Customary Charges.

T. Ambulatory Surgical Center Services

Medicaid will reimburse Guam ambulatory surgical services pay according to the negotiated rates starting at 100% Current Hawaii Medicare Fee Schedule published at <https://med.noridianmedicare.com> and not to exceed 70% of Provider's Usual Customary Charges.

U. Birthing Center Services

Medicaid will reimburse birthing center services according to the negotiated rates starting at the lowest Guam hospital Medicare Interim Rates and not to exceed 70% of Provider's Usual Customary Charges.

V. Wellness and Fitness Services-Applicable to the Alternative Benefit Plan only

Medicaid will pay provider charges for Well ness services not to exceed two hundred dollars (\$200.00) per Medicaid beneficiary annually, unless prior authorization is granted. Medicaid will pay providers for Fitness services not to exceed 90% of the monthly membership fees.

Except as otherwise noted in the state plan, Guam Medicaid reimbursements are the same for both governmental and private providers, and providers shall not be reimbursed more than the billed charges or the outlined reimbursements in section (A) through (V).

On-Island Providers will be reimbursed based on the methodologies outlined in section (A) through (V).

Off-Island Providers will be reimbursed based on the methodologies outlined in section (A) through (U), or negotiated rate w/discount of 45% to 55%, not to exceed 70% of Provider's Usual Customary Charges.

TN No.: 21-0005 Approval Date: March 25, 2022 Effective Date: October 20, 2021  
Supersedes TN: 17-001

State/Territory: GUAM

Out-of-Country Providers will be reimbursed based on the methodologies outlined in section (A) through (U), not to exceed the 100% Current Hawaii/Guam Medicare Fee Schedule or negotiated rate, not to exceed 90% of Contracted Out-of-Country Provider's Usual Customary Charges/Acquisition Cost.

Emergency service providers, evident to save life or significantly alter an adverse prognosis or the prognosis for survival, and recovery requires the immediate medical service, will be reimbursed on the methodologies outlined in section (A) through (U), not to exceed the 100% Current Hawaii/Guam Medicare Fee Schedule or negotiated rate w/discount of 45% to 55%, not to exceed Provider's Usual Customary Charges.

All providers are required to submit claims within one (1) year from the date of service except for Medicaid with Third Party Liability (TPL) which should be submitted within sixty (60) days from the receipt date of the TPL payments/statements.

Medicaid will pay the full amount of deductible, co-payment, and co-insurance for Medicaid recipients with TPL coverage provided the service charges are covered under the Guam Medicaid State Plan and not to exceed the Medicaid applicable reimbursement methodology outlined in section (A) through (V), and is Payor of last resort.

Non-Payment for Health Care-Acquired Conditions and Provider-Preventable Conditions [42 CFR 447, 434, 438, and 1902(a)(4), 1902(a)(6), and 1903]

- Payment Adjustment for Provider-Preventable Conditions

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider preventable conditions.

- Other Provider-Preventable Conditions (OPPC)

Guam identifies the following Other Provider-Preventable Conditions for non-payment under Section 4.19-B of this State Plan.

X Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

\_\_\_\_ Additional Other Provider-Preventable Conditions identified below:

Any charges related to OPPC shall be denied.