

Subcommittee on Indian, Insular and Alaska Native Affairs
Doug LaMalfa, Chairman
Hearing Memo

July 21, 2017

To: Natural Resources Committee Members

From: Majority Staff, Subcommittee on Indian, Insular and Alaska Native Affairs
(x6-9725)

Hearing: Oversight hearing on “*Assessing Current Conditions and Challenges at the Lyndon B. Johnson Tropical Medical Center in American Samoa.*”

The Subcommittee will hold an oversight hearing on **Tuesday, July 25, 2017 at 10:00a.m. in room 1324 Longworth** titled “*Assessing Current Conditions and Challenges at the Lyndon B. Johnson Tropical Medical Center in American Samoa.*” The purpose of this oversight hearing is to evaluate and discuss the current state of the healthcare facility and the quality of the treatment accessible to American Samoans.

Policy Overview

- The LBJ Tropical Medical Center is the only public health facility located in the territory of American Samoa.
- The facility receives a significant portion (roughly 9%) of its revenue through the Department of the Interior – Office of Insular Affairs (OIA) budget appropriation, approximately \$7,900,000 annually.¹
- LBJ Tropical Medical Center has struggled in recent years with maintaining infrastructure needs of the facility and providing an adequate level of healthcare services for its patients.

Invited Witnesses

Mr. Thomas Bussanich
Director of Budget
Office of Insular Affairs
Department of the Interior
Washington, DC

¹ Budget Justifications and Performance Information, Fiscal Year 2018, Office of Insular Affairs. The United States Department of the Interior. P 18. <https://www.doi.gov/sites/doi.gov/files/uploads/fy2018-oia-budget-justifications.pdf>

Mr. Taufete'e John Faumuina
CEO-Director
Lyndon B. Johnson Tropical Medical Center
Faga'alu, American Samoa

Dr. Reese Tuato'o
Chief of Internal Medicine
Lyndon B. Johnson Tropical Medical Center
Faga'alu, American Samoa

Ms. Sandra King Young
Medicaid Director
American Samoa Medicaid Agency
Office of the Governor
Pago Pago, American Samoa

Mr. Motusa Tuileama Nua
Director
Department of Public Health
Pago Pago, American Samoa

Background

The Lyndon B. Johnson Tropical Medical Center² is a 150 bed facility and the only hospital serving the South Pacific territory of American Samoa. The LBJ Tropical Medical Center provides medical care for the approximately 55,000 residents of the territory located on the main island of Tutuila but is the only hospital serving the neighboring islands of Aunu'u, the Manu'a islands, Rose Atoll and Swains Island.

The hospital is funded primarily through grants provided to the American Samoan government by the U.S. Department of the Interior, Office of Insular Affairs. Staffing at the hospital has traditionally been very challenging and currently there are only 65 active medical staff on hand to provide care for the patients in the areas of Internal Medicine, Pediatrics Nephrology, Radiology, ER, Surgery, Orthopedic Surgery, OB/GYN, Otolaryngology, Anesthesiology, and Ophthalmology.

Conditions at the hospital are dire due to lack of adequate funding and a chronic backlog of infrastructure maintenance. The territory has always been challenged with providing basic needs and services in healthcare, more so than the other territories. In recognition of this

² Named after the 36th President of the United States, President Johnson is still the only US President to have visited America's only South Pacific territory while in office.

disparity, Congress enacted legislation in 1996 directing a portion of mandatory Covenant Capital Improvement Program (CIP) funds to be used for critical infrastructure in American Samoa and the development of a multi-year capital improvement plan. In Fiscal Year (FY) 2018 OIA awarded approximately \$9.5 million in CIP Grants³ to the Government of American Samoa for projects designated by the Capital Improvement Master Plan. These funds were utilized during FY 2018 to renovate and expand three key wings of the hospital: the labor, delivery and operating room.

In February of 2017, Chairman Rob Bishop led a bi-partisan Congressional delegation (CODEL) of Members on the Committee of Natural Resources to the Pacific territories of Guam, the Commonwealth of the Northern Mariana Islands, and American Samoa. While in American Samoa the CODEL toured the hospital and met with Administrative staff to discuss the conditions at the facility. Topics of discussion ranged from quality of drinking water on the island, challenges with sterilization of equipment, security of medical supplies and access to updated equipment, inability to provide adequate healthcare service to the veteran population, and overall treatment of the territory under federal healthcare programs.

Hospital administrators expressed their concern to the CODEL Members that poor conditions at the hospital have created a major issue for the island's veteran population seeking medical care. There is currently only one small Veterans Affairs (VA) outpatient clinic located in American Samoa and it too is unable to provide substantial healthcare services that the island veterans require. Since the conditions at LBJ hospital do not meet the standards of care issued by the VA, veterans requiring healthcare procedures and treatment are forced to fly to the nearest VA healthcare facility located 2,611 miles to the northeast in Honolulu. The lack of frequent flights from Hawaii to the territory only exacerbates the issue for both the VA and the veterans seeking treatment. The VA is paying the cost of flying veterans from the territory to Hawaii to receive treatment, yet these trips can turn into weeklong stays in Hawaii, increasing the cost of care for the VA while also incurring costly out of pocket expenses on the patient.

Another area of concern for hospital administrators is American Samoa's treatment under both current and future federal healthcare programs, specifically Medicaid. American Samoa has participated in the Medicaid program since 1984 and the program currently has 75% of the population enrolled.⁴ Medicaid provides matching funds to the states and territories for the costs they incur in paying health care providers for delivering covered services to eligible individuals. Medicaid is a federal assistance program and does not require financial contributions from qualified recipients of care.⁵ The difference in qualifying for Medicaid funding between the

³ Budget Justifications and Performance Information, Fiscal Year 2018, Office of Insular Affairs. The United States Department of the Interior. P 27. <https://www.doi.gov/sites/doi.gov/files/uploads/fy2018-oia-budget-justifications.pdf>

⁴ "Medicaid and CHIP in the Territories" MACPAC, Advising Congress on Medicaid and the CHIP policy. P2. <https://www.macpac.gov/wp-content/uploads/2016/09/Medicaid-and-CHIP-in-the-Territories.pdf>

⁵ American Samoa Medicaid Agency. <http://medicaid.as.gov/>

states and the territories has become a major point of concern for healthcare providers operating in the remote regions of the country. Under the current Medicaid set up, territories receive capped funding set by the Federal Medical Assistance Percentage (FMAP) at a level of 55%. American Samoa uses a unique method to establish income-based eligibility within the program unlike typical enrollment eligibility requirements in the other territories. Medicaid and the State Children's Health Insurance Program (CHIP) funds pay for care provided at the LBJ Tropical Medical Center determined by the portion of the population with income that would have fallen below the program's income eligibility threshold of 200% of the Federal Poverty Line.⁶ There is concern that since the funds are matched by federal dollars at a rate capped annually and additional Medicaid funds provided to the territories are set to expire in 2019, that American Samoa will not be able to utilize all available funding offered through the Affordable Care Act before the expiration deadline.

The subcommittee will discuss potential solutions to these challenges with the invited panel of expert witnesses who work in the healthcare field on American Samoa and can provide expert analysis of these issues. By shedding a light on these specific issues affecting the territory, this hearing will focus on potential solutions to existing problems.

⁶ "Medicaid and CHIP in the Territories" MACPAC, Advising Congress on Medicaid and the CHIP policy. P2. <https://www.macpac.gov/wp-content/uploads/2016/09/Medicaid-and-CHIP-in-the-Territories.pdf>