



EXECUTIVE CHAMBERS  
HONOLULU

BENJAMIN J. CAYETANO  
GOVERNOR

January 14, 2000

Mr. Ferdinand Aranza  
Director, Officer of Insular Affairs  
Office of the Secretary  
U.S. Department of the Interior  
Washington, D.C. 20240

Dear Mr. Aranza:

In accordance with section 104(e)(3) of Public Law 99-239 of January 14, 1986, I am sending you the State of Hawaii's views for your transmittal to Congress as part of your January 2000 annual report to Congress on "The Impact of the Compacts of Free Association on the United States Territories and Commonwealths and on the State of Hawaii."

The Compact of Free Association with the Federated States of Micronesia ("FSM") and the Republic of the Marshall Islands ("Marshall Islands") continues to have much more impact on Hawaii than the 1994 Compact of Free Association with the Republic of Palau. Because the former Compact has not resulted in the hoped-for economic development in either the FSM or Marshall Islands, their citizens continue to avail themselves of their rights under the Compact to freely enter and reside in the United States without the immigration restrictions applicable to citizens of other countries.

The largest impact of the Compact continues to be on our educational and health care systems. Congress' continuing failure to fulfill its promise to redress the adverse effects of the Compact on the State places us in the untenable position of having to assume an extraordinary share of our country's legal and moral obligations under the Compact. During the past year alone, the State spent well over \$14 million in public funds to care for Compact migrants.

Impact on Health Care System

At a time when our newspapers are full of stories about our hospitals' financial problems, staff lay-offs, and cuts in service, we are absorbing Compact migrants who simultaneously suffer from the malnutrition and contagious diseases common to developing countries and the diabetes, heart disease, and cancer common to developed countries. I urge you to review "Pacific Partnerships for Health," a 1998 publication by the Institute of Medicine, which operates under the charter of the National Academy of Sciences. This report provides independent corroboration of the magnitude of the current and impending Compact impact, and repeatedly discusses reforms

Mr. Ferdinand Aranza  
January 14, 2000  
Page 2

necessary to address two of our continuing critical problems: (1) the enormous costs of the Pacific islands' off-island medical referrals,<sup>1</sup> and (2) the need for the islands to be more accountable for their citizen's medical care.<sup>2</sup>

Our private hospitals and health care providers have to contend with a staggering bad debt from the FSM and Marshall Islands governments' health care referrals to Hawaii. We are still tabulating the figures. For example, the Queen's Medical Center, which is Hawaii's largest health care provider and is in its third year of operating costs, reports a \$11 million bad debt from Pacific Island nations, primarily the FSM (Exhibit A-1). The Kapiolani Medical Center reports that for South Pacific island patients: (1) it wrote off over \$700,000 in bad debt in just the first six months of the fiscal year beginning July 1, 1999; (2) it typically writes off from \$.5 million to \$1.5 million *per year*; and (3) and as of December 31, 1999, its outstanding receivables were \$1.3 million (Exhibit A-2). These entire amounts are not attributable to the FSM and Marshall Islands, but they are indicative of the problem. The reporting community health centers have about \$420,000 a year in uncompensated costs for primary care services to Compact migrants from the FSM, Marshall Islands, and Palau (Exhibit A-3). One of these small centers, the Queen Emma Clinics, recently collected from the State of Chuuk in the FSM only after exhaustive collection efforts, including implementation of a co-payment requirement for governmentally-referred Chuukese patients (Exhibit A-4).

The problem is bigger than that documented in the above letters from a few of our health care providers. We are still compiling costs. For example, one private medical group that has severely cut back on accepting government referrals from the FSM because of problems declined to provide a letter for transmittal to Congress because of its staff's continuing sympathetic feelings toward the patients themselves. The doctors at our local clinics and hospitals frequently find themselves faced with people who have easily entered the country because of the Compact's generous entry provisions, but who cannot pay for the medical care they need. The doctors then face the dilemma of either turning people away simply because they are poor, or treating them despite the impact it has on our community's health resources. Although some medical suppliers simply refuse to work with certain Pacific island jurisdictions because their accounts are so far in arrears,<sup>3</sup> that is not an easy choice for a doctor confronted with a sick person in need.

Unless Congress takes action, we can expect the 2001 expiration of the Compact's 15-year provisions for economic support to dramatically increase migration to Hawaii from the FSM and

---

<sup>1</sup> Institute of Medicine, *Pacific Partnerships for Health: Charting a New Course*, National Academy Press, 1998) ("Pacific Partnerships") at 7, 34, 60, and 113.

<sup>2</sup> *Pacific Partnerships* at 7-8, 36, 38, 40, 48, 60, and 117.

<sup>3</sup> *Id.* at 48.



Marshall Islands. If Compact funding ends as scheduled and no more U.S. aid is provided, the FSM estimates that its funds for health services will decline by as much as 75 percent of its 1996 health budget.<sup>4</sup>

The impending expiration of Compact funding combined with the changing demographics of the migrant populations portend a looming crisis for Hawaii's health care system. The Marshall Islands' population has one of the world's highest growth rates, and half its population is already under the age of 16.<sup>5</sup> With the population expected to double in the next twenty years and the population density of Kwajalein Atoll's Ebeye Island already one of the highest in the world,<sup>6</sup> we can expect thousands more Marshallese to use their Compact entry rights to come to Hawaii to seek a better life.

The demographics of the FSM are similar. In 1998, about 44 percent of the population was under 15.<sup>7</sup> According to the U.S. Department of Interior, in 1995 only a third of FSM households had flush toilets, about 18 percent were connected to a public water supply, about 11 percent were connected to a public sewer, and only about half had electricity.<sup>8</sup>

In light of these statistics, it is not surprising that Hawaii once again has spent several hundred thousand dollars in one year just to treat contagious diseases among Compact migrants. During the last year, in addition to the unpaid-for medical care that the private sector provided for those with contagious diseases, the State spent about \$312,000, including about \$235,246 for Hansen's disease (leprosy), and about \$60,000 for tuberculosis. We continue to have to screen and treat Compact migrants for hepatitis. We also spent about \$300,000 on Medicaid payments for them, and about \$120,000 for community health nursing services for them.

#### Impact on Social Services

Last year, we had to spend about \$1.7 million for welfare payments to needy Compact migrants (Exhibits B-1 and B-2). The U.S. Census Bureau's 1997 census of Micronesians in Hawaii showed that almost 40 percent live below the poverty level and more than half of these live below 50 percent of the poverty level. Because of their limited English skills and generally low education, they need time and training to enter the work force. We spent about \$163,000 of the

---

<sup>4</sup> *Id.* at 114.

<sup>5</sup> *Id.* at 142, 24.

<sup>6</sup> *Id.* at 143.

<sup>7</sup> *Id.* at 111.

<sup>8</sup> *Id.* at 112.

Mr. Ferdinand Aranza  
January 14, 2000  
Page 4

\$1.7 million through our entirely State-funded Aged, Blind, and Disabled program, which we created to help those with little or no income who either are not eligible for federally-funded Supplemental Security Income ("SSI") or are eligible for only partial SSI payments. We spent the remaining approximately \$1.5 million through our entirely State-funded TAONF (Temporary Assistance to Other Needy Families) Program, created for those families who are ineligible for TANF (Temporary Assistance to Needy Families).

#### Impact on Educational System

The largest Compact impact continues to be on our educational system. We have spent about *\$54 million* since 1988 to educate Compact migrant children in public schools' kindergarten through 12th grade--over \$9 million in the last year alone (Exhibit C). We have had to absorb this loss as best we could, at a terrible cost to our own children. It is one reason that Hawaii is last among the 50 states in per pupil expenditures for its public school children in kindergarten through 12th grade. Our schools need that \$54 million back.

The State also spent about \$1.3 million last year for college education of Compact migrants at the University of Hawaii, including its community colleges system. We have allowed the college students from the FSM and Marshall Islands to pay in-state tuition without meeting the durational residency requirements we apply to students from the mainland. A federal government representative recently suggested to one of my staff that despite these students' entry rights under the Compact, we might be able to legally charge them out-of-state tuition. However, we do not think that would be the right stand to take or litigate. These students, almost without exception, have difficulty paying even in-state tuition, and have virtually no family resources to help them. Although government workers in both the FSM and Marshall Islands make much more than most other people there, even their incomes are very low by U.S. standards. For example, in the early 1990's, many full-time police officers in the State of Chuuk made only \$2000 to \$3000 a year. To require FSM and Marshallese college students to pay out-of-state tuition would virtually foreclose their opportunities for a college education.

#### Impact on Criminal Justice System

We also continue to feel the impact of the Compact on our criminal justice system. About 143 Compact migrants were convicted of 237 offenses last year--at a time when we are having great difficulty finding and funding enough bed space for all those who are incarcerated. These numbers are up from last year's figures of 111 Compact migrants convicted of 186 offenses, and the numbers have gone up every year.

#### A look forward

Compact migration to Hawaii is costly. There is a lack of congruity between the Compact's generous entry rights and the welcome that the federal government is giving the people who use those rights. It is all too clear that Hawaii will continue be faced with the Hobson's choice of either filling the gap or refusing to do so. The State of Hawaii takes pride in having created a



Mr. Ferdinand Aranza  
January 14, 2000  
Page 5

diverse community that welcomes and cares for both citizens and strangers. It is hardly a solution to the problem of unredressed Compact impact for us to respond by further tightening our laws to minimize aid to the needy whom the Compact allows to enter so freely. It is *our* doorsteps on which the Compacts migrants are arriving.

The rest of the nation may think that continued U.S. aid to the FSM and Marshall Islands is a fair price to pay for the United States' strategic air and water rights to the islands' vast area of the Pacific. The rest of the nation may even recognize that the United States' national security interests are one of the cornerstones of the Compact relationship. But the fact remains that the nation as a whole is not footing the bill. Until the United States, FSM, and Marshall Islands together design and implement Compact provisions that make the FSM and Marshall Islands more self-sufficient, the State will inevitably incur social costs from Compact migration, and we will look to the Congress to redeem its promise to redress the adverse consequences.

If inadequate medical care in the FSM and Marshall Islands, along with those governments' poor fiscal management and unpaid medical debts, are the fifteen-year legacy of the Compact of Free Association and the 40-year legacy of the former United Nations Trust Territory of the Pacific Islands, perhaps the federal government ought to ask itself some hard questions about the extent to which it fulfilled its duties as either U.N. Trustee or a party to the Compact.

Unquestionably, the successive periods of Spanish, German, and Japanese colonialism, followed by the period of American dominance as U.N. Trustee undermined traditional social controls and authority and ended the previous self-sufficiency of the islands. We view it as an abrogation of the United States' moral responsibility to either: (1) save money by denying medical care or educational opportunities to the people of the former Trust Territory who are allowed to come here, or (2) buy strategic access to the Western Pacific by throwing money at societies damaged by colonialism. From FY 1987 to the end of FY 2001, the United States will have given the FSM over *\$1.3 billion* and the Marshall Islands over *\$623 million* in economic assistance, and yet they owe our hospitals millions. We agree with the Institute of Medicine's recommendation that the federal government should reevaluate its funding mechanisms for Pacific island health care and adopt measures that require meaningful accountability.

We appreciated the June 28, 1998 Senate Appropriation Committee's report that "Hawaii has not received impact aid authorized under the compacts of free association in the past," and that "the financial costs to Hawaii associated with such migration are substantial." S. Rept. 106-99, Department of the Interior and Related Agencies Appropriations Bill, FY 2000, at 58-59. The committee also directed that "[i]f additional funds are necessary for Guam or other governments, this issue should be addressed as part of Compact renegotiation," and directed the Secretary of Interior "to ensure that representatives of the State of Hawaii are provided with an effective opportunity to participate in the upcoming compact renegotiations." The November 17, 1999 Senate and House conference report accompanying the FY 2000 Omnibus Appropriations Act

Mr. Ferdinand Aranza  
January 14, 2000  
Page 6

reiterated this directive: "The Secretary should ensure that representatives of Hawaii are consulted during the upcoming compact renegotiation process so the impact to Hawaii of migrating citizens from the freely associated states is appropriately considered." H. Rept. 106-479 at 470.

If it would be easier for Congress to redress Compact impact on Hawaii as part of the renegotiation process rather than the annual budget process, we have no objection to that procedure. As you know, House Joint Resolution 187, approving the Compact of Free Association, P.L. 99-188, provided funds to pay the accrued medical debts of the FSM and Marshall Islands for the use of medical facilities in the United States before September 1, 1985. 48 U.S.C. § 1905(d).

Although we realize that this year's \$3 million-increase in Guam's annual Compact impact aid from \$4.58 million to \$7.58 million was largely a result of a personal commitment that the President made to Guam during a visit there last year, it is certainly ironic that a U.S. Territory that for several years has been getting several million dollars a year in Compact impact reimbursement has just been given another \$3 million a year, while the State of Hawaii has never received *any* reimbursement. We understand Guam's need and do not doubt that the additional aid was appropriate. Nevertheless, it is time for Congress to reimburse Hawaii.

We have been pleased with the State Department Office of Compact Negotiation's response to the Committee's mandate, and we look forward to working with that office and the Congress in 2000 on our many mutual Compact concerns.

With warmest personal regards,

Aloha,

  
BENJAMIN J. CAYETANO





## THE QUEEN'S MEDICAL CENTER

---

January 10, 2000

The Honorable Benjamin J. Cayetano  
Governor  
State of Hawaii  
Executive Chambers  
State Capitol Building  
Honolulu, Hawaii 96813

Dear Governor Cayetano:

The Queen's Medical Center appreciates the opportunity to provide you with the impact the Compact of Free Association has on us, the largest health care provider in the State of Hawaii. We understand you will use this as input to your annual impact report on the Compact.

Over the past 3 years, we have seen a 300% increase in the number of patients from the Pacific Basin. Not only has the number of patients increased substantially, the charge per patient has increased dramatically as well, indicating more and sicker patients are coming to Queen's from these island states.

This has had a dramatic impact on the financial status of Queen's. As you know, we are in our third year of operating losses and a large component of this is our bad debts and charity care. This component of our costs has ballooned from \$7.2 million in 1995 to \$16 million in 1999, an \$8.8 million or 120% increase in this short 5-year period. The Pacific Basin states constitute a large part of this increase.

These states currently owe Queen's \$11.4 million. They are terribly slow payors, often taking 2 to 5 years to pay their bills. They have very unrealistic budgets for care delivered "off-island," generally 10% of their actual annual obligations. Because of the above-factors, we receive on average 30 cents on the dollars in payment.

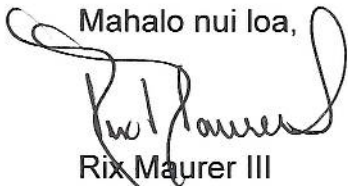
This long and low payment history does impact our ability to care for the people of Hawaii. It has contributed to our losses and decreases in cash balances; thereby, decreasing our expenditures for medical equipment and building renovations.

Exhibit A-1

We understand that the Compacts are due to be renegotiated in April of this year. We would suggest that the Dept. of Interior use the negotiations as an opportunity to revise the payment flow for medical care delivered in the United States. We believe that due to the Compact states' inability to make timely payments, U.S.-based health care providers should receive payment directly from the Dept. of the Interior, having the Dept. deduct the amount from subsequent Compact payments. This will ensure the continuation of "off-island" health care for the people of these Compact states, that providers receive adequate and timely compensation for the care provided and that this will not continue to be a burden on the people of Hawaii who ultimately shoulder the responsibility and suffer the consequences.

Governor, we sincerely appreciate your interest and support in resolving this ongoing and escalating problem. Please have your staff contact me at 547-4329 if I can answer any questions or provide additional information.

Mahalo nui loa,

A handwritten signature in black ink, appearing to read "Rix Maurer III". The signature is fluid and cursive, with a large initial "R" and "M".

Rix Maurer III  
Vice President - Finance

cc: Arthur A. Ushijima, President and CEO  
Daniel Jessop, Executive Vice President & COO  
Madeleine Austin, Deputy Attorney General, State of Hawaii





January 5, 2000

The Honorable Benjamin J. Cayetano  
Governor, State of Hawaii  
State Capitol  
Honolulu, HI 96813

Dear Governor Cayetano:

The following summarizes our current situation with South Pacific island patients at Kapi'olani Medical Center for Women & Children (KMCWC).

As of December 31, 1999, our receivables due from South Pacific island nations total \$1.3 million. Based on historical experience, we expect to collect less than 30% of this amount. In addition to the expected write off on these outstanding accounts, during the first six months of our current fiscal year to date beginning July 1, 1999, we already have written off \$717,000 in bad debt related to South Pacific island patients. Our experience this year is typical of the magnitude of our annual write offs for South Pacific island patients which typically range from about \$500,000 to \$1,500,000 per year.

Such large write offs are experienced due to several factors, of which a few are listed below:

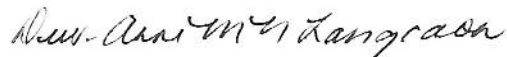
- Coverage is limited – in general, most are limited to \$30,000 per year and \$100,000 per lifetime. The patients that are referred to KMCWC are the most critically ill pediatric cases, for example pediatric cardiac surgery, congenital anomalies, and very premature infants. These limits are not sufficient to cover the cost of care for such critically ill patients. A critically ill baby sent to our specialized Neonatal Intensive Care Unit could exhaust the limit in 8-12 days vs. their actual necessary length of stay of weeks or months. Once the coverage limit has been exhausted, the patient or family is deemed to be responsible for the remainder of the bill. Generally, the patient's family is not able to afford any additional financial burden, which then results in KMCWC absorbing the loss.
- Governmental agencies for the South Pacific islands frequently “run out” of funds or deplete the revolving funds of local third party administrators. Thus providers are made to wait months until funds are released again. It is not unusual for us to wait a year or more for payment.

The Honorable Benjamin J. Cayetano  
January 5, 2000  
Page 2

- Referral and preauthorization processes are cumbersome and slow. Although this is improved where local third party administrators handle the claims, it continues to be difficult. Also, patients occasionally present at our Emergency Room or arrive at the airport on their own and then require ambulance transport to our facility. Due to regulatory requirements we are unable to obtain any preauthorization for admission and then have difficulty collecting any payment at all.
- It is difficult, if not impossible, to transfer back the patient once stable enough to be cared for back in their home island. For those that become technologically dependent, it is sometimes the case that the child never returns home as their home island is unable to sustain care at "American standards of care."

Despite financial pressures due to declining reimbursements, KMCWC has not refused any patient from South Pacific island nations because of financial inability to pay or ethical concerns about ability to return home, however, it is becoming increasingly difficult to maintain such practices. Assistance or financial relief by the Governor and our Congressional delegation is greatly needed. Please feel free to call me at 535-7376 should you have any further questions or concerns about this issue.

Sincerely,



Dew-Anne M. N. Langcaon  
Vice President, Finance and Hospital Operations

JD 70110 6578





# Hawai'i State Primary Care Association

345 Queen St., Suite 702, Honolulu, HI 96813-4718 • Tel (808) 536-8442 • Fax (808) 524-0347

September 17, 1999

Ms. Madeleine Austin  
 Department of the Attorney General  
 Regulatory Division  
 465 S. King ST., Room 200  
 Honolulu, HI 96813-2913

VIA FACSIMILE: 587-3077

Re: Health Costs Associated with Habitual Residents

Dear Ms. Austin:

I have been informed that you are taking the lead for the state in collecting information about uncompensated costs associated with people who come here from the Federated State of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. I would like to report to you costs associated with providing primary care services to these individuals and their children at reporting community health centers (Bay Clinic, Community Clinic of Maui, Kalibi-Pālama Health Center, Kōkua Kalihi Valley, and Queen Emma Clinics) and the family practice residency program in Wahiawa/Mililani. Their figures are annualized estimates of visits by habitual residents and their children:

O'ahu	2,968 visits	\$374,035
Island of Hawai'i	215 visits	\$ 21,500
Island of Maui	197 visits	\$ 24,625
TOTAL	3,380 visits	\$420,160

We hope that this information is useful to you and that the State succeeds in drawing federal funds to compensate for costs. In that event, we further hope that an appropriate amount of federal funds will be made available to the health centers and the residency program that are currently struggling with uncompensated costs.

Sincerely,

Beth Giesting  
 Executive Director

cc: D. Noelani Kalipi (Senator Daniel Akaka's office)  
 Jean Kajikawa, DHHS

Exhibit A-3

Primary Care Centers: Bay Clinic • Community Clinic of Maui • Hāmākua Health Center • Hāna Community Health Center • Kalihī-Pālama Health Center • Kōkua Kalihi Valley • Queen Emma Clinics • Wai'anac Coast Comprehensive Health Center • Waikīkī Health Center • Waimānalo Health Center



## THE QUEEN EMMA CLINICS

1301 Punchbowl Street ▪ Honolulu, Hawaii 96813 ▪ Phone (808) 547-4618

4 January 2000

Governor Ben Cayetano  
State Capitol  
Honolulu HI 96813

Dear Governor Cayetano

I would like to bring your attention to the financial hardship Queen Emma Clinics (QEC) has endured over the past years and our fears that they may continue. This is in respect to untimely payments for medical services rendered to Chuuk State Government citizens at our clinic.

An outstanding bill of \$9,687 for services for the period 1/1/98 through 9/22/99 was paid 11/15/99 (almost 23 months later) after extraordinary efforts were made. These efforts included phone calls, negotiations, certified letters to Chuuk's Governor Ansito Walter, Chuuk's Department of Treasury, Health Services, and our implementation of a requirement that the FSM patient pay a refundable copayment. Yes, the \$9,687 bill for the 21 month period was paid eventually, but during the next 4 weeks (9/23/99-10/21/99) almost the same amount of visits and services were made as were made in the previous 21 months (90 weeks). QEC has become very popular with Chuuk citizens. Besides that, we have billed 3 times (every 4 weeks) since then and nothing has been paid yet. The current arrears are:

4 November 1999 batch of claims for	\$9,364
10 December 1999 batch of claims for	\$4,476
30 December 1999 batch of claims for	\$5,510
Total	<u>\$19,450</u>

QEC fears that this even larger bill will be left unpaid for a long time. Governor Cayetano, we ask if you would do all you can to influence payment of these bills. Please mention in your annual report to Congress that unpaid bills of the FSM impact the private economy here also. If the federal government has given money to FSM and Chuuk, why aren't they paying the clinics which provide medical care for their citizens? Thank you so much for your help.

Sincerely,

Susan A.M. Lee-Dickson  
Manager, QEC Business Office

Exhibit A-4



Department of Human Services  
 Data on Recipients from Micronesia, the Marshall Islands, and Palau  
 State Funding Only  
 FY 1999 Annual Figures  
 (From average monthly figures for the period July 1998 to April 1999 excluding March 1999)

1. Estimated Average Monthly Recipients

	<u>State TAONF Program</u>				<u>TOTAL</u>
	<u>State Aged, Blind, or Disabled Program</u>	<u>(formerly part of AFDC)</u>	<u>State General Assistance Program</u>	<u>Medicaid-Only Program</u>	
Micronesia	44	511	19	182	756
Marshall Islands	17	422	4	148	591
Palau	1	10	1	1	13
<b>TOTAL</b>	<b>62</b>	<b>943</b>	<b>24</b>	<b>331</b>	<b>1,360</b>

2. Estimated Annual Money Payments (Welfare Checks)

	<u>State TAONF Program</u>			<u>TOTAL</u>
	<u>State Aged, Blind, or Disabled Program</u>	<u>(formerly part of AFDC)</u>	<u>State General Assistance Program</u>	
Micronesia	\$116,652	\$792,504	\$78,360	\$987,516
Marshall Islands	\$43,620	\$653,748	\$15,912	\$713,280
Palau	<u>\$2,928</u>	<u>\$15,672</u>	<u>\$3,612</u>	<u>\$22,212</u>
<b>TOTAL</b>	<b>\$163,200</b>	<b>\$1,461,924</b>	<b>\$97,884</b>	<b>\$1,723,008</b>

3. Estimated Annual Medicaid Payments (Payments to Medical Providers)

	<u>State TAONF Program</u>			<u>State Funding for Medicaid-Only Program</u>	<u>TOTAL</u>
	<u>State Aged, Blind, or Disabled Program</u>	<u>(formerly part of AFDC)</u>	<u>State General Assistance Program</u>		
Micronesia	\$215,184	\$460,296	\$16,896	\$163,704	\$856,080
Marshall Islands	\$80,556	\$379,596	\$3,396	\$132,396	\$595,944
Palau	<u>\$5,412</u>	<u>\$9,096</u>	<u>\$804</u>	<u>\$804</u>	<u>\$16,116</u>
<b>TOTAL</b>	<b>\$301,152</b>	<b>\$848,988</b>	<b>\$21,096</b>	<b>\$296,904</b>	<b>\$1,468,140</b>

The State's Aged, Blind, or Disabled Program is funded entirely by the State. This program was created to assist individuals and couples with little or no income who are not eligible for federally-funded Supplemental Security Income (SSI) or eligible only for partial SSI payments.

The State's TAONF (Temporary Assistance to Other Needy Families) Program is funded entirely by the State. It was created to assist other needy families, such as those with two parents and those with non-citizens, who are not eligible for the federally-funded TANF (Temporary Assistance to Needy Families) Program.

The State's General Assistance Program is funded entirely by the State. This program was created to assist individuals and couples with little or no income who have a temporary, incapacitating medical condition.

The State's Medicaid Program is a partnership between the Federal and State Governments. It is funded with approximately one-half federal and one-half state funds. Recipients under the Aged, Blind, or Disabled Program have their medical bills paid on a fee-for-service basis to their medical providers. Recipients under the other programs are enrolled in managed care medical plans where the State pays premiums to the plans. The plans then reimburse the medical providers with their payments. Recipients who receive Medicaid without a welfare check are in the Medicaid-Only Program.

Estimated Average Monthly Recipients were based on the average number of monthly recipients for the indicated period.

Estimated Annual Money Payments were calculated by multiplying average monthly money payments by 12.

Estimated Annual Medicaid Payments were calculated by multiplying average monthly medicaid payments by 12. Average monthly medicaid payments were calculated using the average monthly fee-for-service cost for the Aged, Blind, or Disabled Program and the average monthly medical plan premium payment for the other programs.

Department of Human Services  
 Data on Recipients from Micronesia, the Marshall Islands, and Palau  
 State Funding Only  
 Average Monthly Figures for the Period July 1998 to April 1999 excluding March 1999

1. Average Monthly Recipients

	<u>State TAONF</u>				<u>TOTAL</u>
	<u>State Aged, Blind, or Disabled Program</u>	<u>Program (formerly part of AFDC)</u>	<u>State General Assistance Program</u>	<u>Medicaid-Only Program</u>	
Micronesia	44	511	19	182	756
Marshall Islands	17	422	4	148	591
Palau	1	10	1	1	13
<b>TOTAL</b>	<b>62</b>	<b>943</b>	<b>24</b>	<b>331</b>	<b>1,360</b>

2. Average Monthly Money Payments (Welfare Checks)

	<u>State TAONF</u>			<u>TOTAL</u>
	<u>State Aged, Blind, or Disabled Program</u>	<u>Program (formerly part of AFDC)</u>	<u>State General Assistance Program</u>	
Micronesia	\$9,721	\$66,042	\$6,530	\$82,293
Marshall Islands	\$3,635	\$54,479	\$1,326	\$59,440
Palau	\$244	\$1,306	\$301	\$1,851
<b>TOTAL</b>	<b>\$13,600</b>	<b>\$121,827</b>	<b>\$8,157</b>	<b>\$143,584</b>

3. Average Monthly Medicaid Payments (Payments to Medical Providers)

	<u>State TAONF</u>			<u>State Funding for</u>	<u>TOTAL</u>
	<u>State Aged, Blind, or Disabled Program</u>	<u>Program (formerly part of AFDC)</u>	<u>State General Assistance Program</u>	<u>Medicaid-Only Program</u>	
Micronesia	\$17,932	\$38,358	\$1,408	\$13,642	\$71,340
Marshall Islands	\$6,713	\$31,633	\$283	\$11,033	\$49,662
Palau	\$451	\$758	\$67	\$67	\$1,343
<b>TOTAL</b>	<b>\$25,096</b>	<b>\$70,749</b>	<b>\$1,758</b>	<b>\$24,742</b>	<b>\$122,345</b>

The State's Aged, Blind, or Disabled Program is funded entirely by the State. This program was created to assist individuals and couples with little or no income who are not eligible for federally-funded Supplemental Security Income (SSI) or eligible only for partial SSI payments.

The State's TAONF (Temporary Assistance to Other Needy Families) Program is funded entirely by the State. It was created to assist other needy families, such as those with two parents and those with non-citizens, who are not eligible for the federally-funded TANF (Temporary Assistance to Needy Families) Program.

The State's General Assistance Program is funded entirely by the State. This program was created to assist individuals and couples with little or no income who have a temporary, incapacitating medical condition.

The State's Medicaid Program is a partnership between the Federal and State Governments. It is funded with approximately one-half federal and one-half state funds. Recipients under the Aged, Blind, or Disabled Program have their medical bills paid on a fee-for-service basis to their medical providers. Recipients under the other programs are enrolled in managed care medical plans where the State pays premiums to the plans. The plans then reimburse the medical providers with their payments. Recipients who receive Medicaid without a welfare check are in the Medicaid-Only Program.

Average Monthly Recipients were based on the average number of monthly recipients for the indicated period.

Average Monthly Money Payments were based on the average monthly money payments for recipients for the indicated period.

Average Monthly Medicaid Payments were based on the average monthly medicaid payments for recipients for the indicated period. Monthly medicaid payments were calculated using the average monthly fee-for-service cost for the Aged, Blind, or Disabled program and the average monthly medical plan premium payment for the other programs.



Report on Impact of FSM and RMI Immigration on the Department of Education

Year	No. of Students	Per Pupil Cost	Total Impact Cost	Percent of Increase
1988	227	\$3,580.55	\$812,784.85	
1989	294	\$3,826.41	\$1,124,964.54	38.4%
1990	389	\$4,176.78	\$1,624,767.42	44.4%
1991	467	\$4,943.65	\$2,308,684.55	42.1%
1992	588	\$5,170.22	\$3,040,089.36	31.7%
1993	656	\$5,445.81	\$3,572,451.36	17.5%
1994	798	\$5,684.30	\$4,536,071.40	27.0%
1995	967	\$5,763.72	\$5,573,517.24	22.9%
1996	1090	\$5,694.40	\$6,206,896.00	11.4%
1997	1283	\$5,763.72	\$7,394,852.76	19.1%
1998	1407	\$5,962.15	\$8,388,745.05	13.4%
1999	1521	\$6,031.34	\$9,173,668.14	9.4%

**TOTAL \$53,757,492.67**