

# HHS-Micronesia/Marshall Islands: Policy Implications for 2023

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The views, thoughts, and opinions expressed in this presentation and the paper are the author's own and do not necessarily reflect views of the author's organization or HHS.

# Academic background

- **Education:**

- MPA – Woodrow Wilson School of Public and International Affairs at Princeton University, development and health
- AB – Princeton University '16, biology and health policy

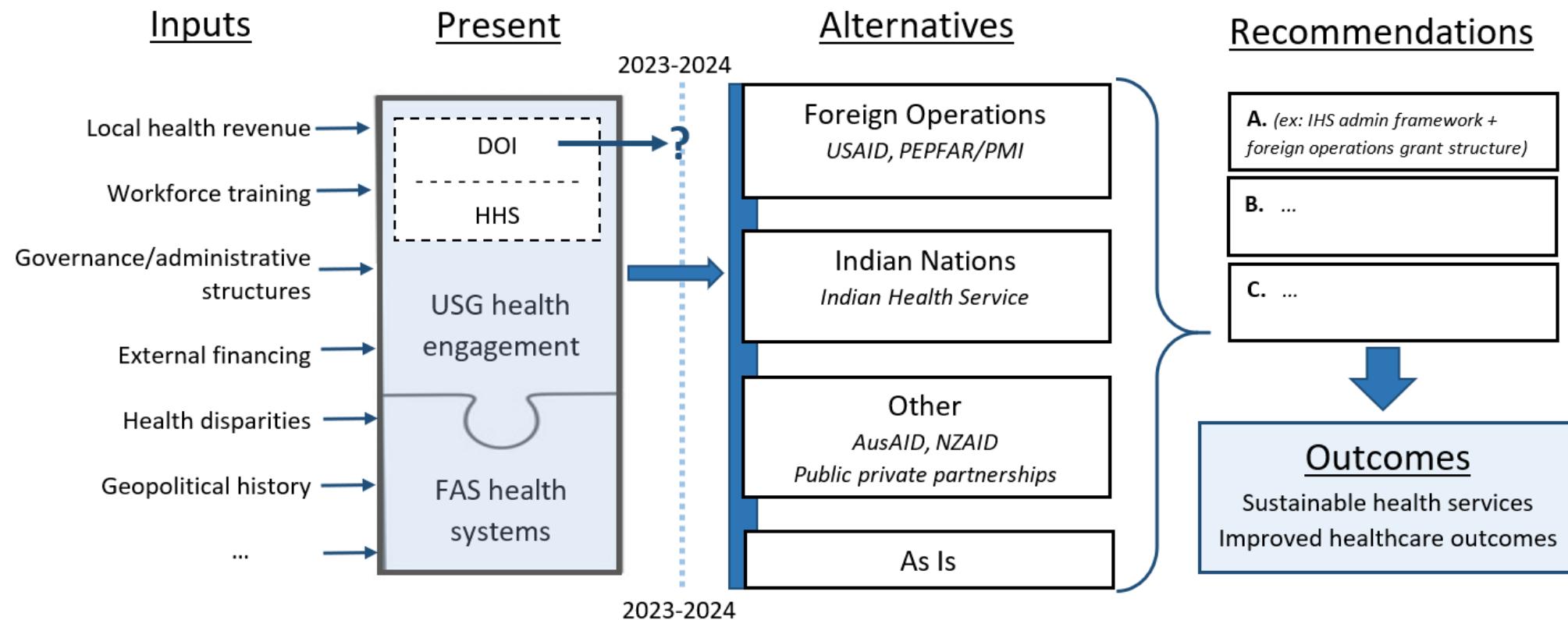
- **Scholars in the Nation's Service Initiative (SINSI):**

- Princeton-funded fellowship and scholarship, 5 students per cohort
- Masters in Public Affairs class of 2020
  - 2016-17: MPA1
  - 2017-19: federal fellowship rotations
  - 2019-20: MPA2
- This project: 8 month fellowship rotation under mentorship of Erika Elvander (OGA) and Subroto Banerji (OASH)

## My project

- Question: what type of engagement strategy between the FSM/RMI and HHS would facilitate the most productive relationship, support sustainable health services, and contribute to improved healthcare outcomes?
- Research components:
  - Understand the current engagement
  - Consider best practices, lessons learned
    - HHS/DOI, FSM/RMI
    - Alternative health support systems
- Product: policy analysis paper September 2018

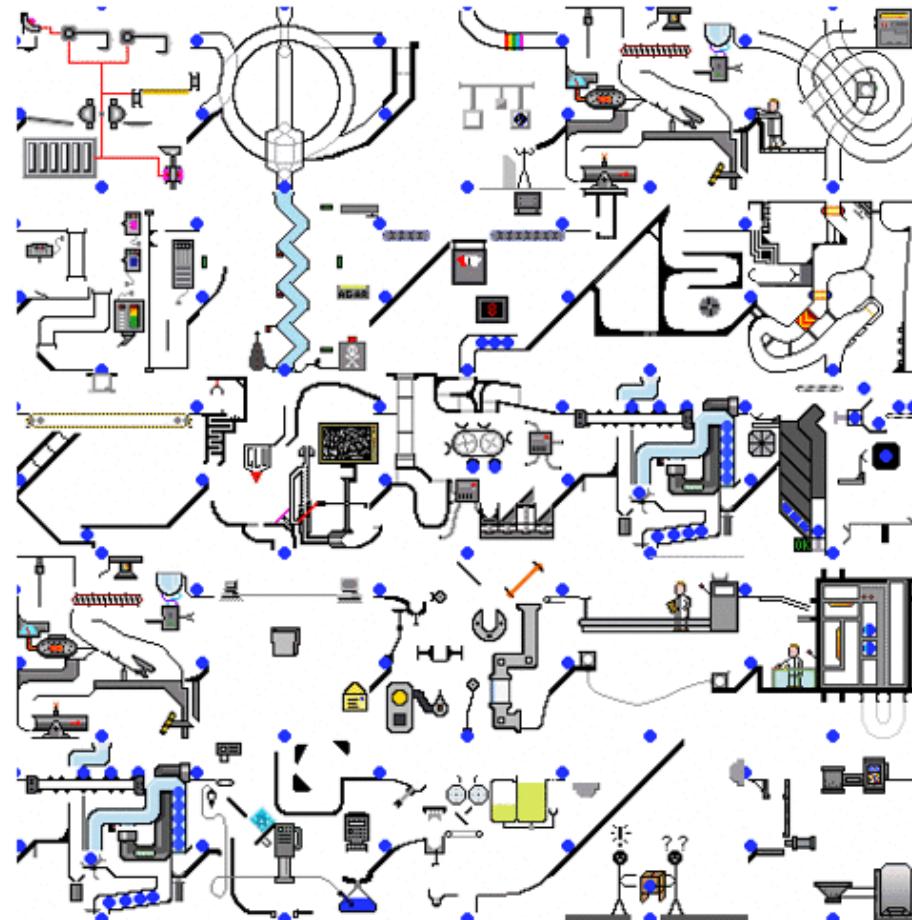
# My project



**Project Logic Model: HHS Engagement in the FAS after 2023-2024.** This report will:

- consider factors (“inputs,” listed in no particular order) influencing the U.S. Government’s involvement with FAS health systems
- review the current FAS-HHS engagement strategy (“present”)
- evaluate alternative models of engagement (“alternatives,” listed in no particular order)
- present recommendations (“recommendations”) that could advance the goals (“outcomes”) listed.

I used this paper to understand how HHS – FSM/RMI engage with each other, to consider alternative engagement strategies, and to raise several policy questions for FSM/RMI, HHS, and partners to consider as we progress to 2023.

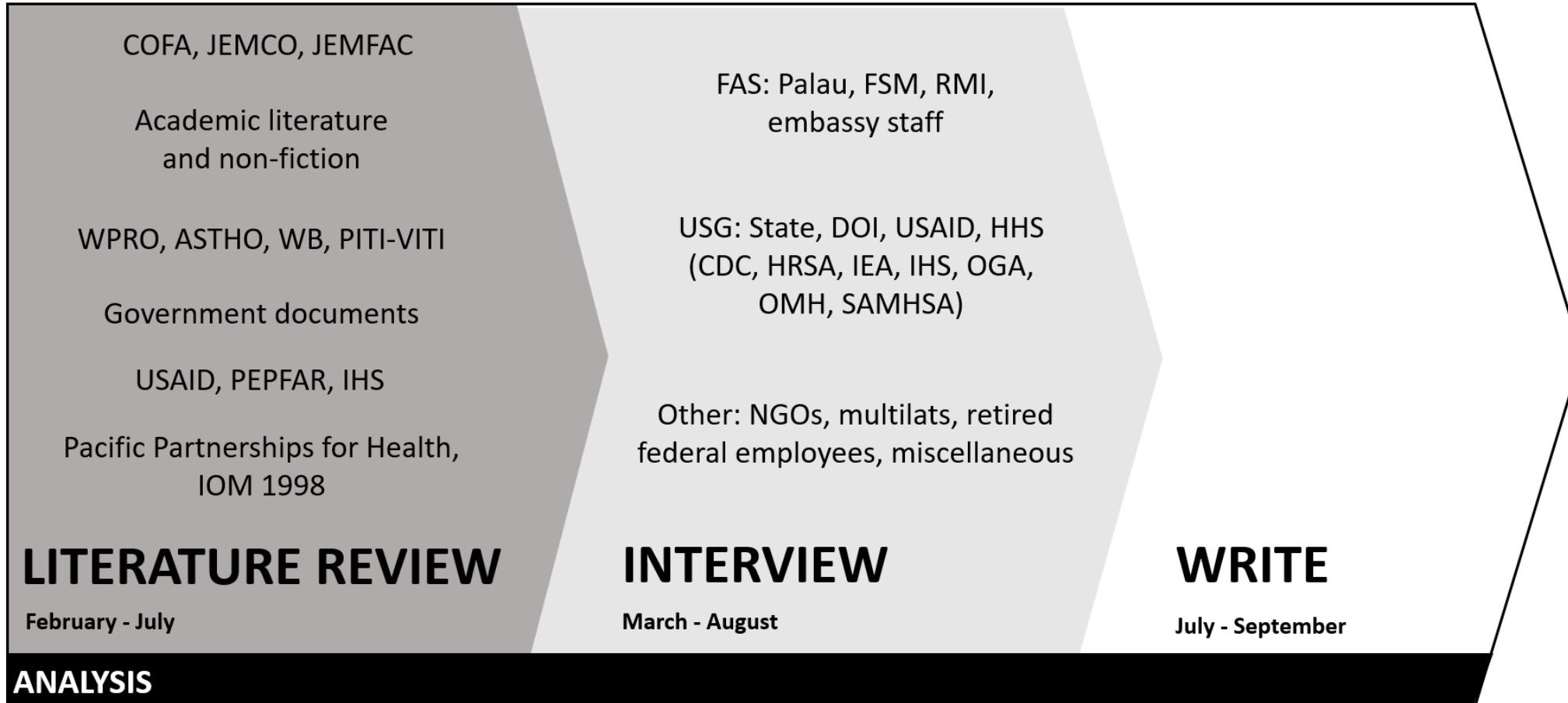


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# Overview

- Project methods
- Analysis and findings
- Policy implications

# Methods



- Semi-structured
- “broad” context, “deep” best practices

# Presentation Content

## Part 1: Engagement context

History

Challenges, opportunities

## Part 2: Alternatives

HHS/DOI lessons learned

Alternative models

## Part 3: Policy Implications

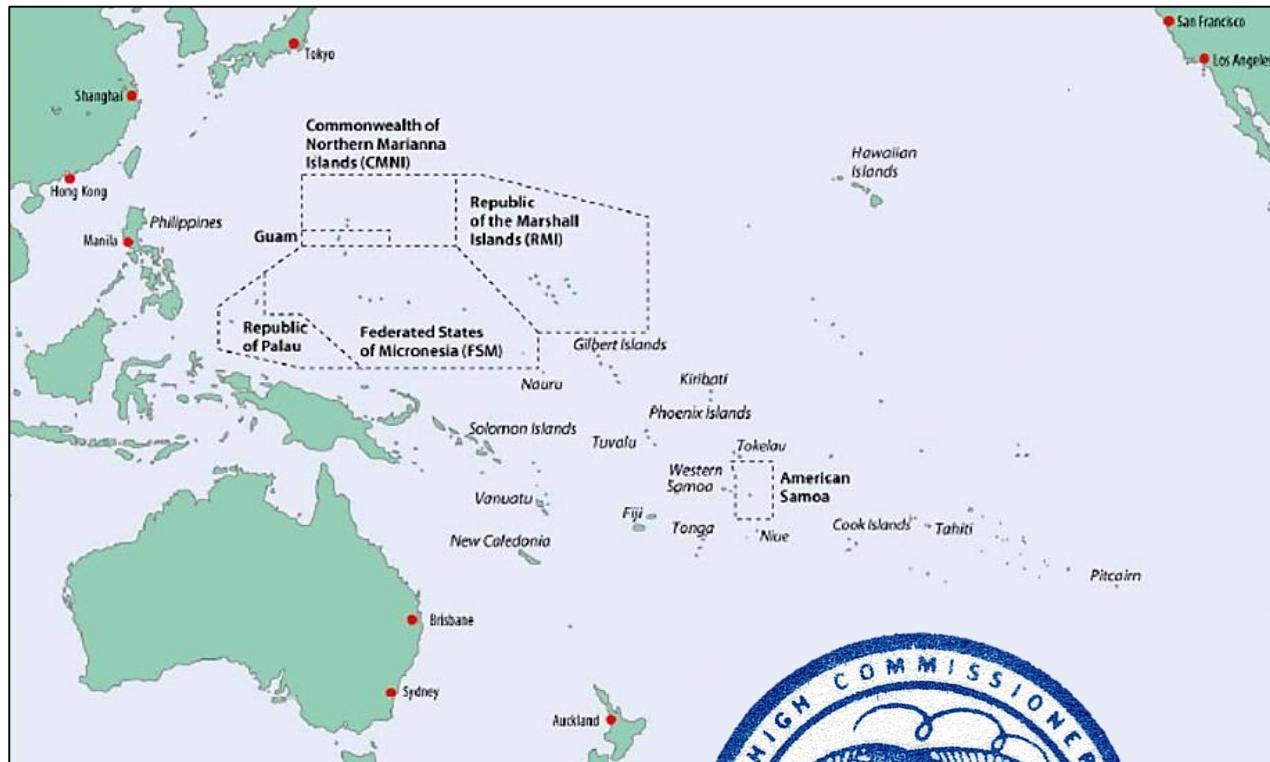
HHS

FSM, RMI

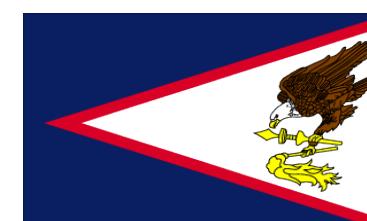
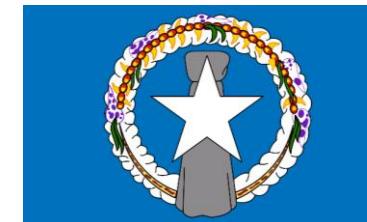
# Content Overview

- Health landscape in FSM-RMI, engagement between HHS and FSM-RMI **pre-2023**
- Three alternative USG health system support models: USAID, PEPFAR, and USG support for American Indian/Alaskan Native communities through IHS
- By including FSM-RMI as eligible grant recipients for grants geared toward the stateside population, current HHS engagement assumes that FSM-RMI can operate like states
  - +: US-based health systems, limited health system growth over period of the Compact
  - -: Limited health capacities, significant workforce challenges, developing-world disease burdens, extremely isolated populations, and sovereign status
- **HHS engagement in this region may benefit from** a subset operating strategy that considers these nation's developing world context, increases coordination among USG stakeholders, and promotes greater ownership of the respective island health care systems
- **FSM-RMI engagement with HHS and other external financers may benefit from** increased local health revenues and ownership, improved funding flows within FSM-RMI governments, and increased legislative advocacy (for USG engagement)

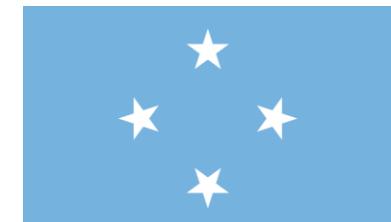
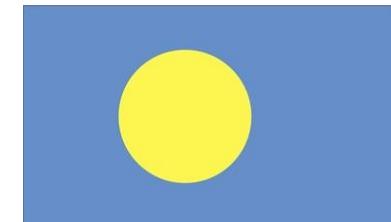
# Background: US Pacific Context



Territories:



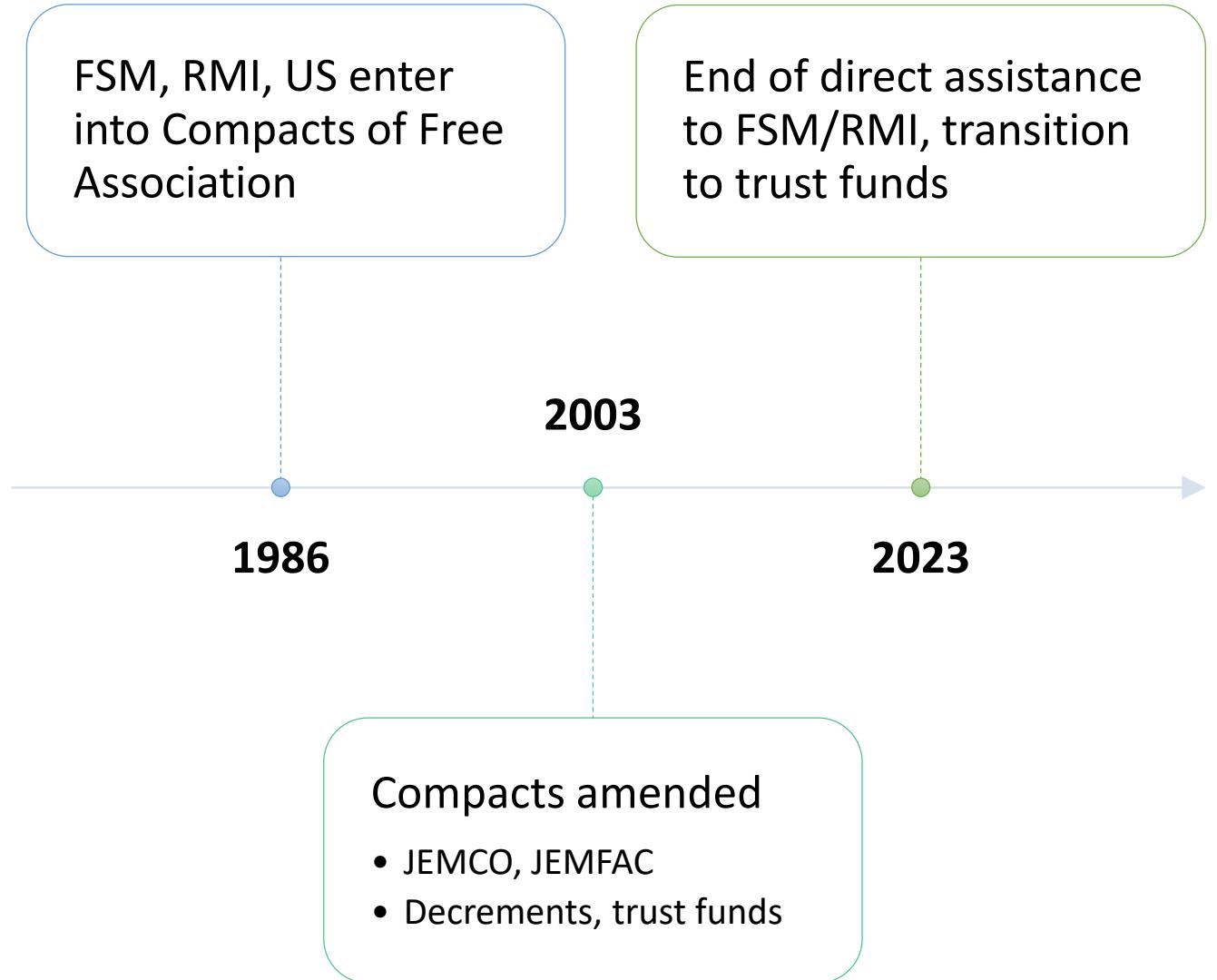
Freely Associated States:



# Compacts of Free Association

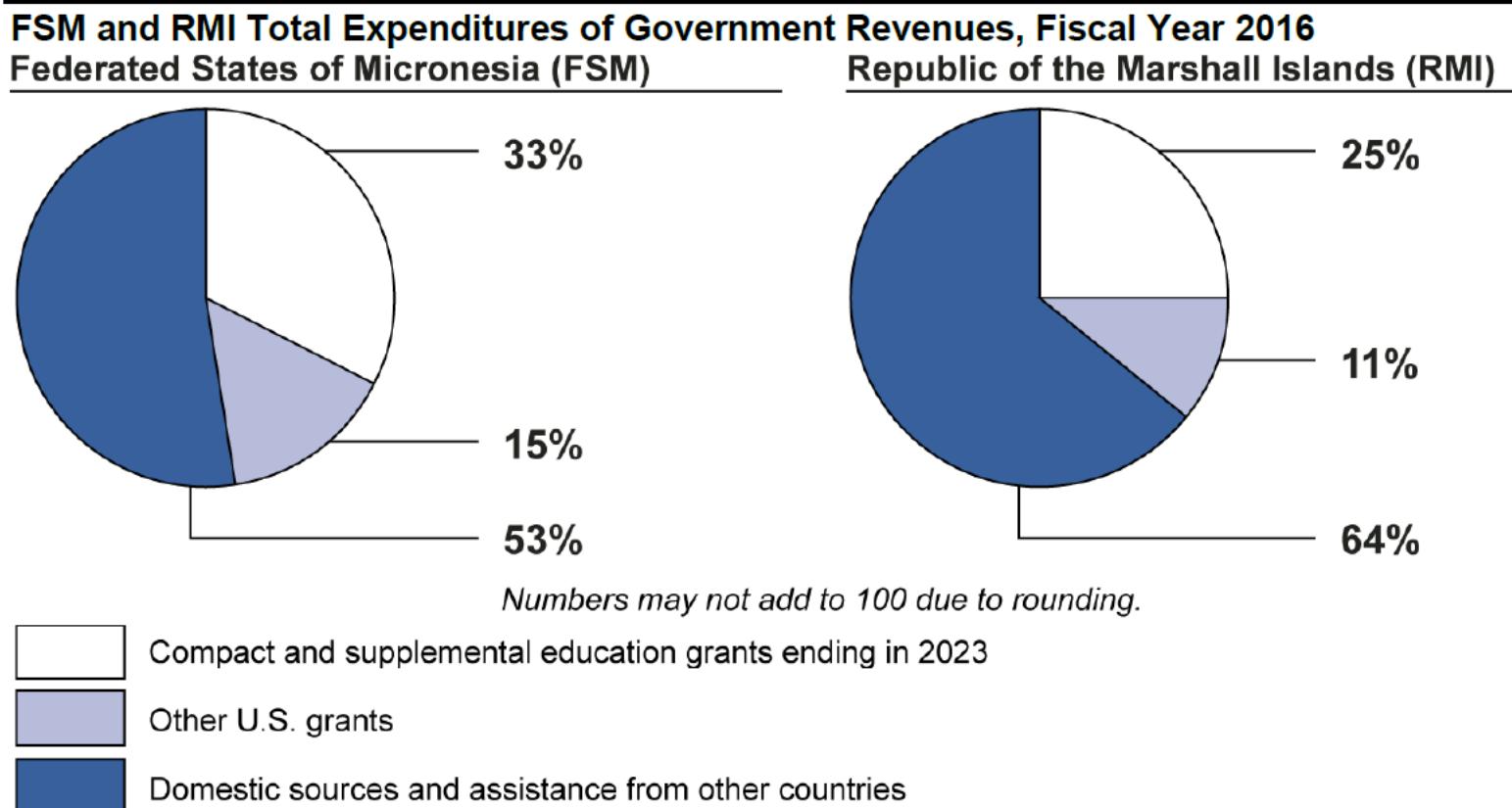
- TTPI to independence
- Economic assistance administered by DOI/OIA

Economic assistance  
Military defense support  $\leftrightarrow$  Strategic denial  
Unlimited travel



“economic self-sufficiency” and “budgetary self-reliance” 11

# Government expenditures in FSM/RMI (2016)



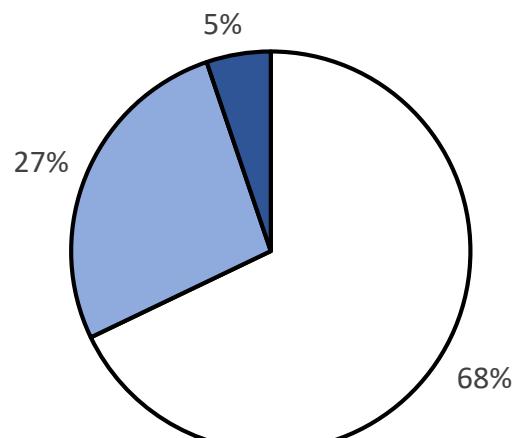
Sources: GAO analysis of P.L. 108-188, the RMI Military Use and Operating Rights Agreement (MUORA); and FSM and RMI single audit reports. | GAO-18-415

**Takeaways:** >50% “local” financing; significant external (USG) financing

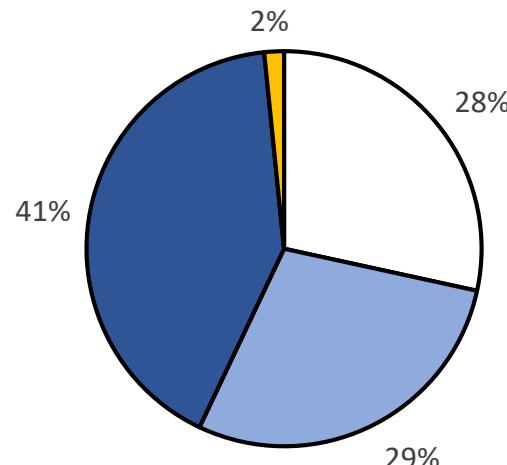
# Health financing in FSM/RMI (2019)

|                                     | FSM 2019           | RMI 2019           | State (average)        |
|-------------------------------------|--------------------|--------------------|------------------------|
| Compacts DOI or other federal funds | \$22,825,369 (68%) | \$8,826,733 (28%)  | 32%                    |
| HHS grants                          | \$9,047,415 (27%)  | \$8,892,957 (29%)  | 16%                    |
| Local revenues                      | \$1,749,604 (5%)   | \$12,842,439 (41%) | 42%                    |
| Total health budget                 | \$33,622,388       | \$31,062,129       | (90% of health budget) |

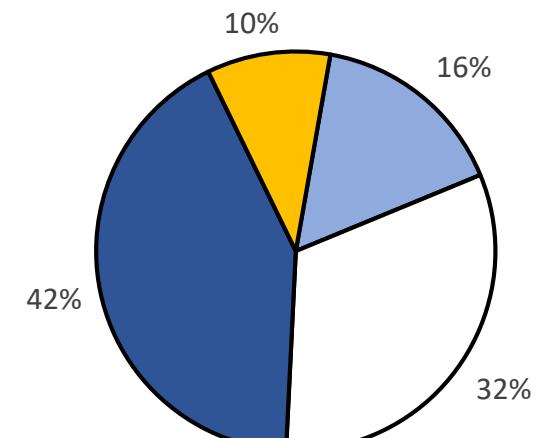
FSM Health Budget FY2019 (estimate)



RMI Health Budget FY2019 (estimate)



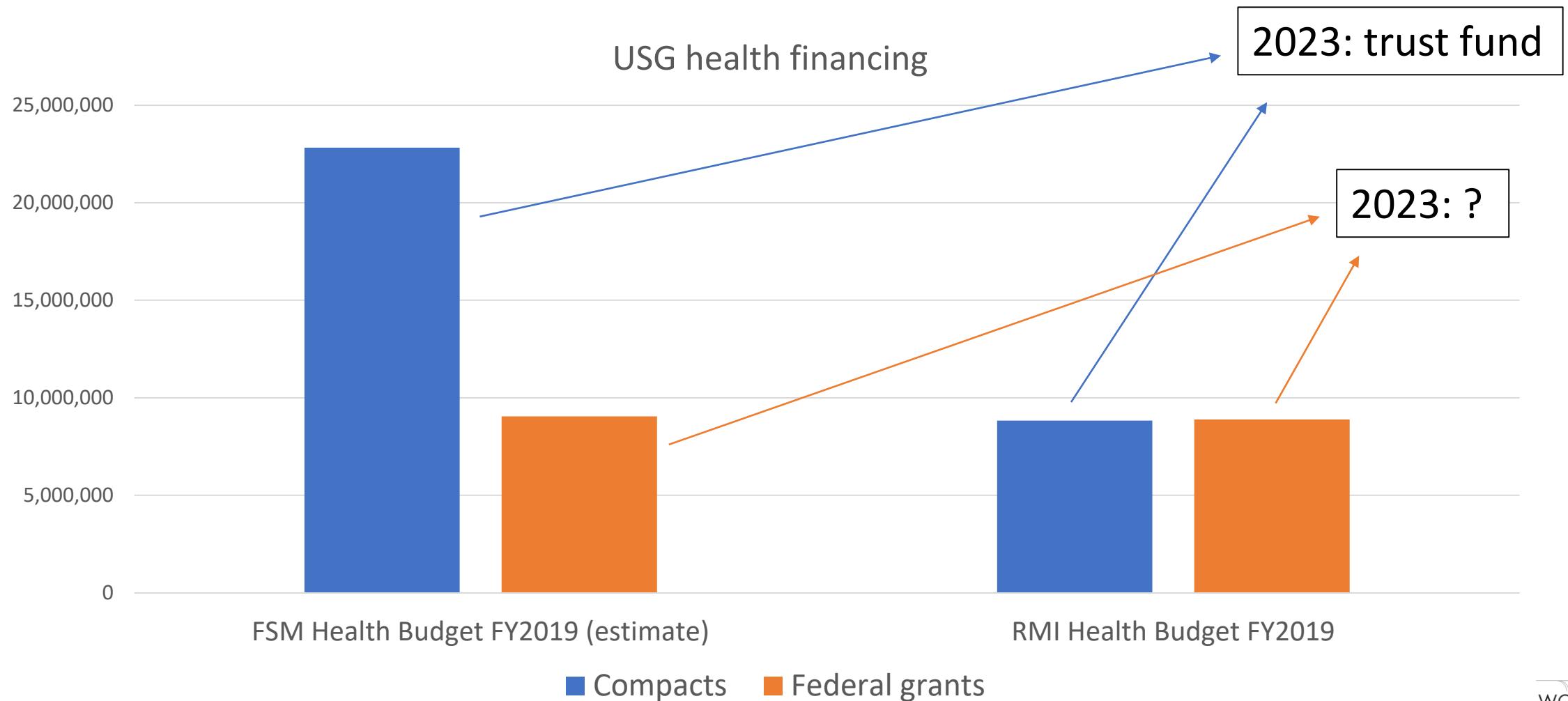
State healthcare financing (average)



□ Compacts    □ HHS grants    □ Local revenues    □ Taiwan funds

□ HHS grants    □ Other federal grants    □ Local revenues    □ Other

## Two streams of USG healthcare financing as we progress to 2023



# Two streams of USG healthcare financing

## DOI/OIA

- Compacts designed for FSM/RMI
- JEMCO/JEMFAC
  - Promote self-sufficiency
    - Health: operations
- 2023: trust fund

### Design

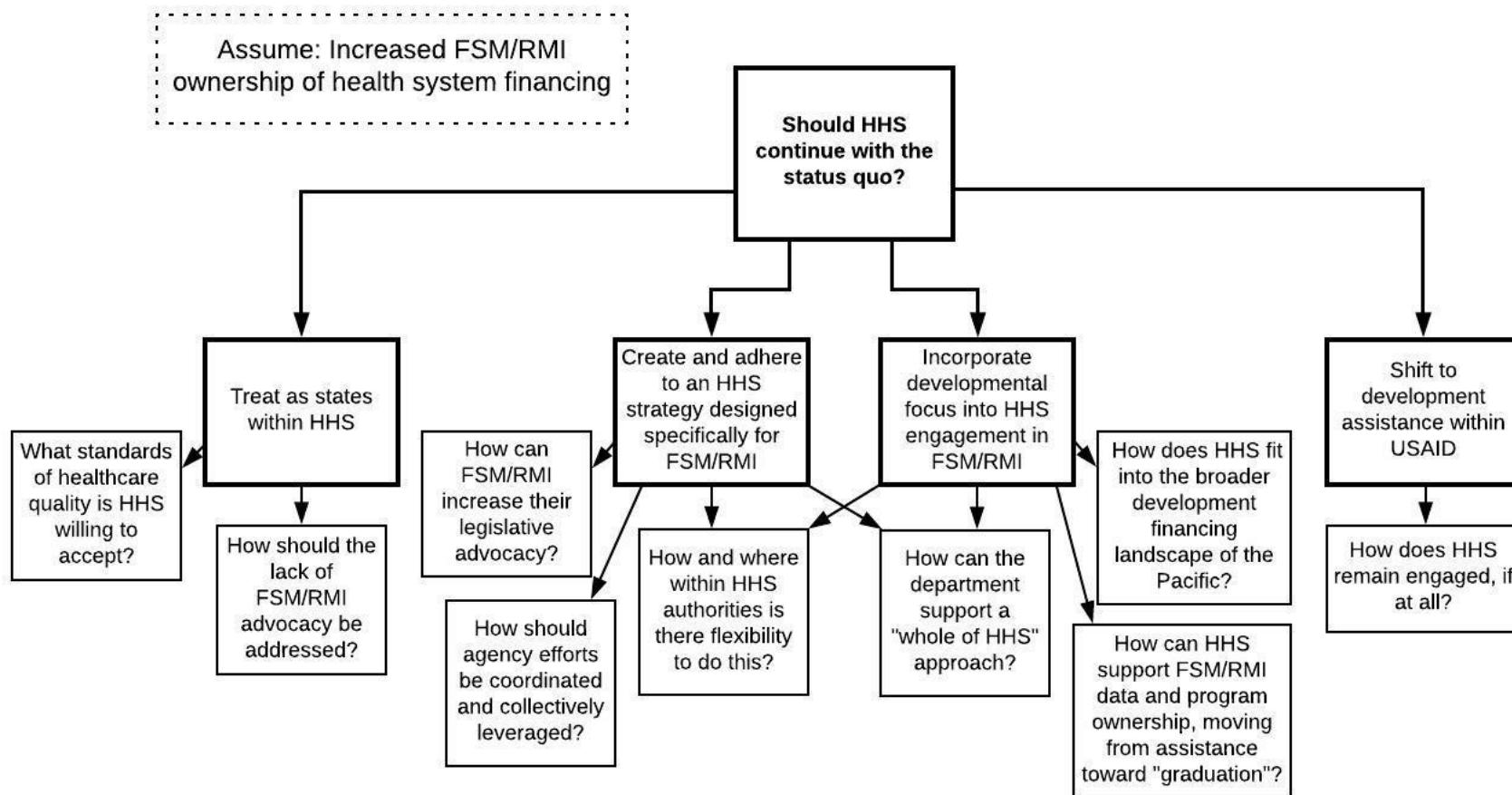
### Authority Use

### Timeframe

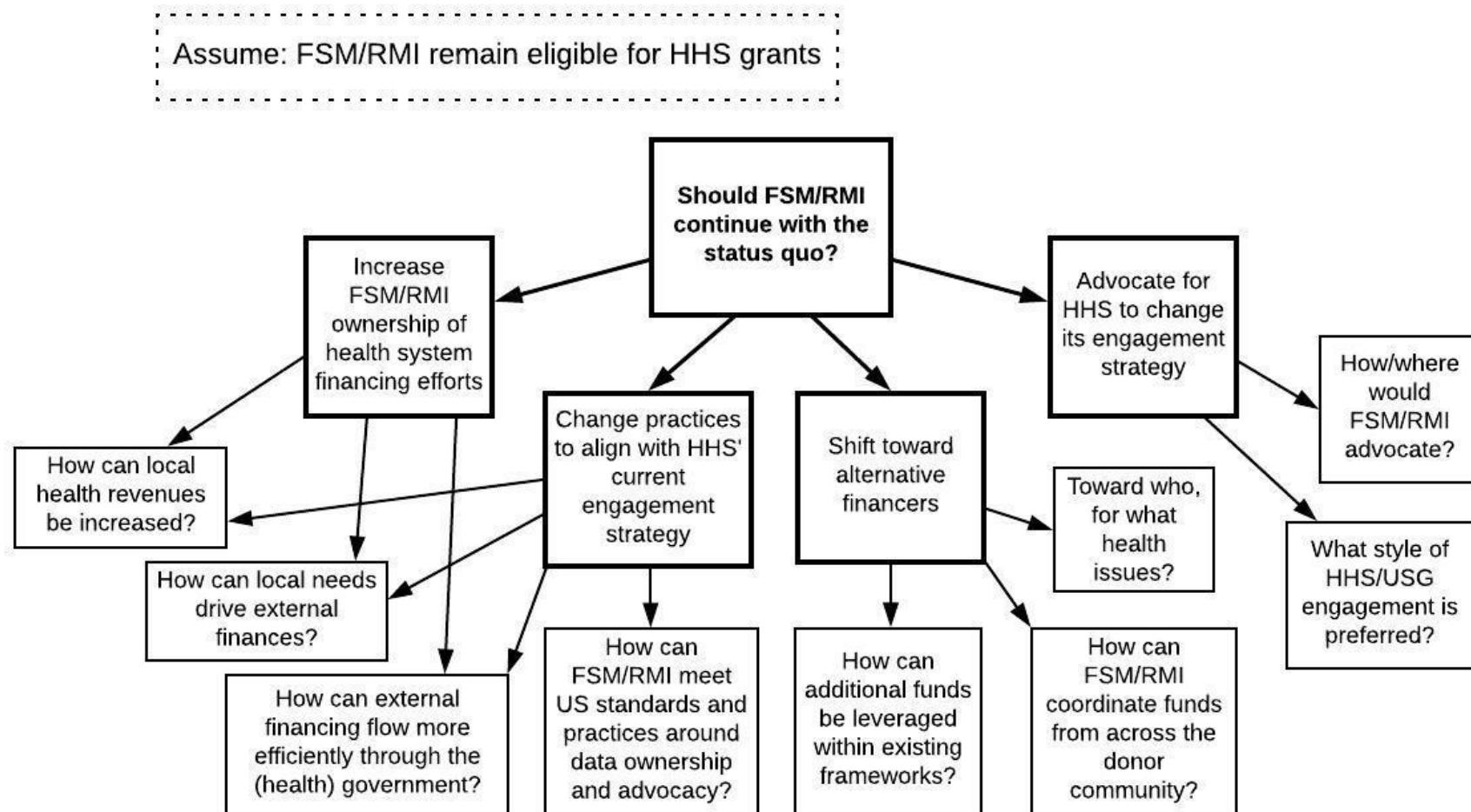
## HHS

- System designed to supplement state efforts
  - Piecemeal, supplementary
  - PEPFAR, FAS
- Congress
  - Promote health
    - Public health, primary care, preparedness, etc.
- 2023: ?

# HHS engagement with FSM/RMI



# FSM/RMI engagement with HHS



HHS  $\longleftrightarrow$  FSM/RMI

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1. HHS supports states, seeks functional local healthcare systems

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2. FSM/RMI  $\neq$  states

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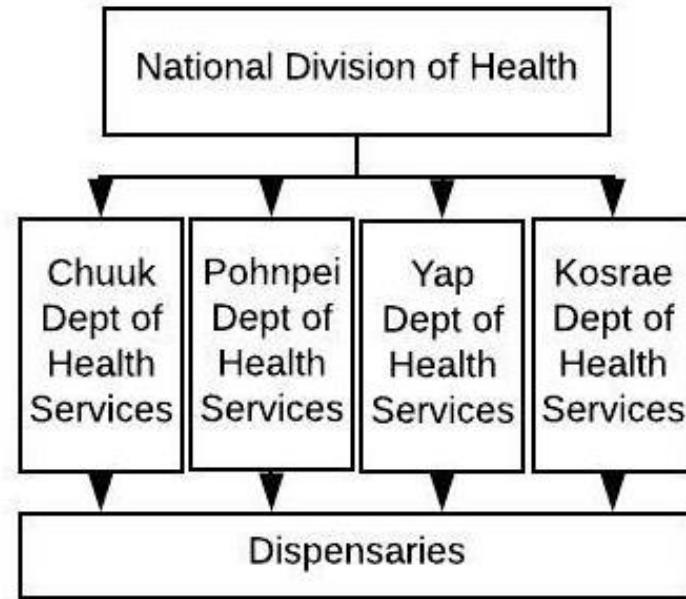
3. How different are FSM/RMI from states?

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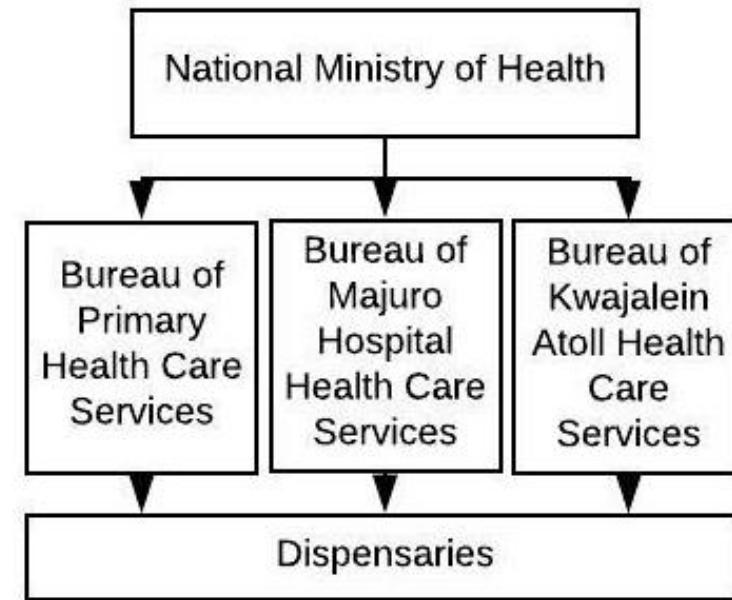
*What type of engagement strategy between the FSM/RMI and HHS would facilitate the most productive relationship, support sustainable health services, and contribute to improved healthcare outcomes?*

| Summary health statistics: FSM, RMI, US, regional, AI/AN tribes                         |       |         |         |           |         |  |
|---|-------|---------|---------|-----------|---------|--|
| Indicator   | FSM   | RMI     | US      | Regional* | Tribal  |  |
| Median age  | 25.1  | 22.9 <  | 38.1    | 32.9 =    | 25      |  |
| Life expectancy   | 70    | 72 <    | 79      | 71.5 =    | 73      |  |
| Maternal Mortality (per 100,000)  | 100   | -       | 14      | 81.9      | 23.2    |  |
| Infant mortality rate (per 1,000 live births)   | 27.5  | 29.1 >  | 5.6     | 21.8 >    | 7.6     |  |
| Incidence of tuberculosis (per 100,000 population per year)                             | 177   | 422 >>> | 3       | 181+ >=   | 5.9     |  |
| Immunization coverage rate for DTP3 (three doses)                                       | 69%   | 71% <   | 84.6%   | 82.6%+ <  | 79.6    |  |
| Immunization coverage rate for measles-containing vaccine (first dose)                  | 70%   | 75% <   | 92%     | 84%+ <    | 92.5    |  |
| Prevalence of obesity among adults  | 40.1% | 48.4% > | 35.5%   | 44%** =   | 43.7%   |  |
| Physicians per 1000 population  | 0.18  | 0.46 <  | 2.57    | 0.96      | -       |  |
| Nurses and midwives per 1000 population   | 3.32  | 3.55 <  | 9.88    | 4.73      | -       |  |
| Current health expenditures per capita (\$USD)  | \$458 | \$863 < | \$9,500 | \$1000 <  | \$3,851 |  |
| Domestic government health expenditures (as % of GDP)                                   | 3.4   | 11.8    | 8.48    | 5.56      | -       |  |
| Domestic private government health expenditure (as % of general government expenditure) | 6.09  | 21.2    | 22.6    | 11.5      | -       |  |
| Domestic private health expenditure (PVT-D) (as % of current health expenditure)        | 2.73  | 13.2    | 49.6    | 13.7      | -       |  |
| External health expenditure (as a % of current health expenditure)                      | 71.3  | 33.3 >  | 0       | 20.4      | -       |  |

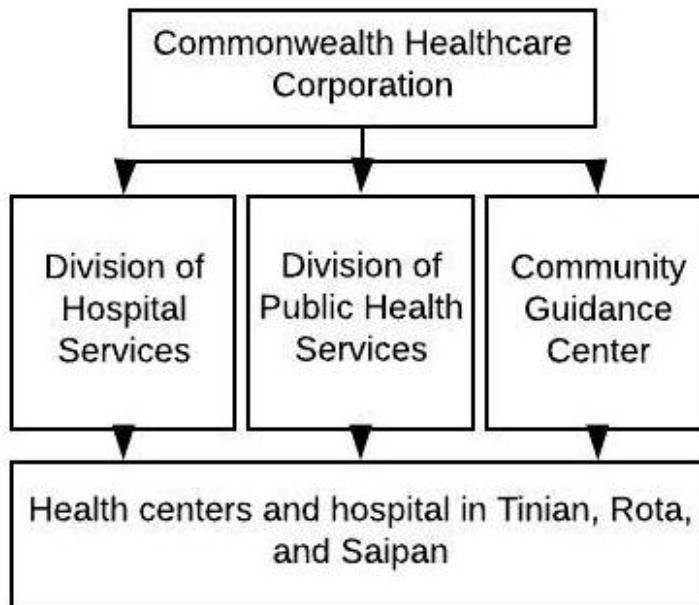
# FSM



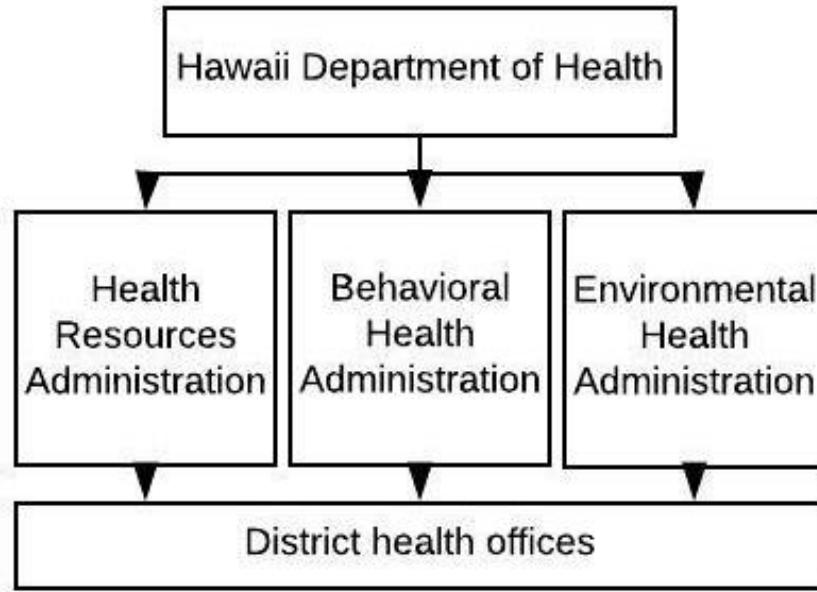
# RMI



# CNMI



# Hawaii



1. Improved **accountability, sustainability and quality** of health service delivery
2. **Universal access** to essential healthcare services
3. Improved **financial sustainability**
4. Improved availability, accessibility, quality, and use of **health information for evidence-based decision-making** across the health sector
5. Reduced **morbidity and mortality**
6. Supportive and sustainable **social and physical environments** to improve health

2014 Framework for Sustainable Health Development in the Federated States of Micronesia: 2014-2024

1. High **quality** health care in the outer islands
2. **Universal access** to high quality care for people with communicable diseases
3. **Integrate NCD services, tools, and support** to help people manage their health
4. Improved **maternal, infant, child, and adolescent health**
5. Care for adults and children with **mental illness and/or substance use disorders**
6. Increased **immunization** rates
7. Increased **health education**
8. Improved **coordination and administration** of preventive and public health care services

RMI Ministry of Health Medium-Term Planning and Budgeting Framework FY2019-2021

## CNMI

1. Fully **accredited** hospital, public health, behavioral health and community guidance center
2. **Financially stable** operations with newly added funding streams annually and full and appropriate usage of all U.S. federal and local government funding
3. Clean **audits** and full compliance to all contracts/grants
4. Certified, licensed, trained **workforce** supported by competitive and fair **wages**
5. Increase in **consumer satisfaction** and community partnerships
6. Decrease **incidence** of the top six major causes of death and debilitation in the CNMI

CHCC Strategic Plan 2015-2020

## Hawaii

1. Invest in **healthy babies and families**
2. Take health into where people **live, work, learn, and play**
3. Create a **culture of health** throughout Hawaii
4. Address the **social determinants of health**
5. Use **evidence-based practices and make data-driven decisions**
6. Improve core **business services and customer satisfaction**

(+ 7 subpoints for each)

Hawaii Department of Health Strategic Plan 2015-2018

Financing: \$33,622,388 (\$323 per capita)  
(5% local)

Staffing per capita: 1 / 1,000

Connectivity: okay  
Stocked supplies: okay  
Diagnostics/lab capacity: okay  
Policy frameworks: state (okay) > national (unclear)

Financing: \$31,062,129 (\$417 per capita)  
(15% local)

Staffing: 11 / 1,000

Connectivity: okay  
Stocked supplies: okay  
Diagnostics/lab capacity: okay  
Policy frameworks: okay

Financing: \$67,843,163 (\$1,298 per capita)  
(78% local)

Staffing: 1 / 1,000

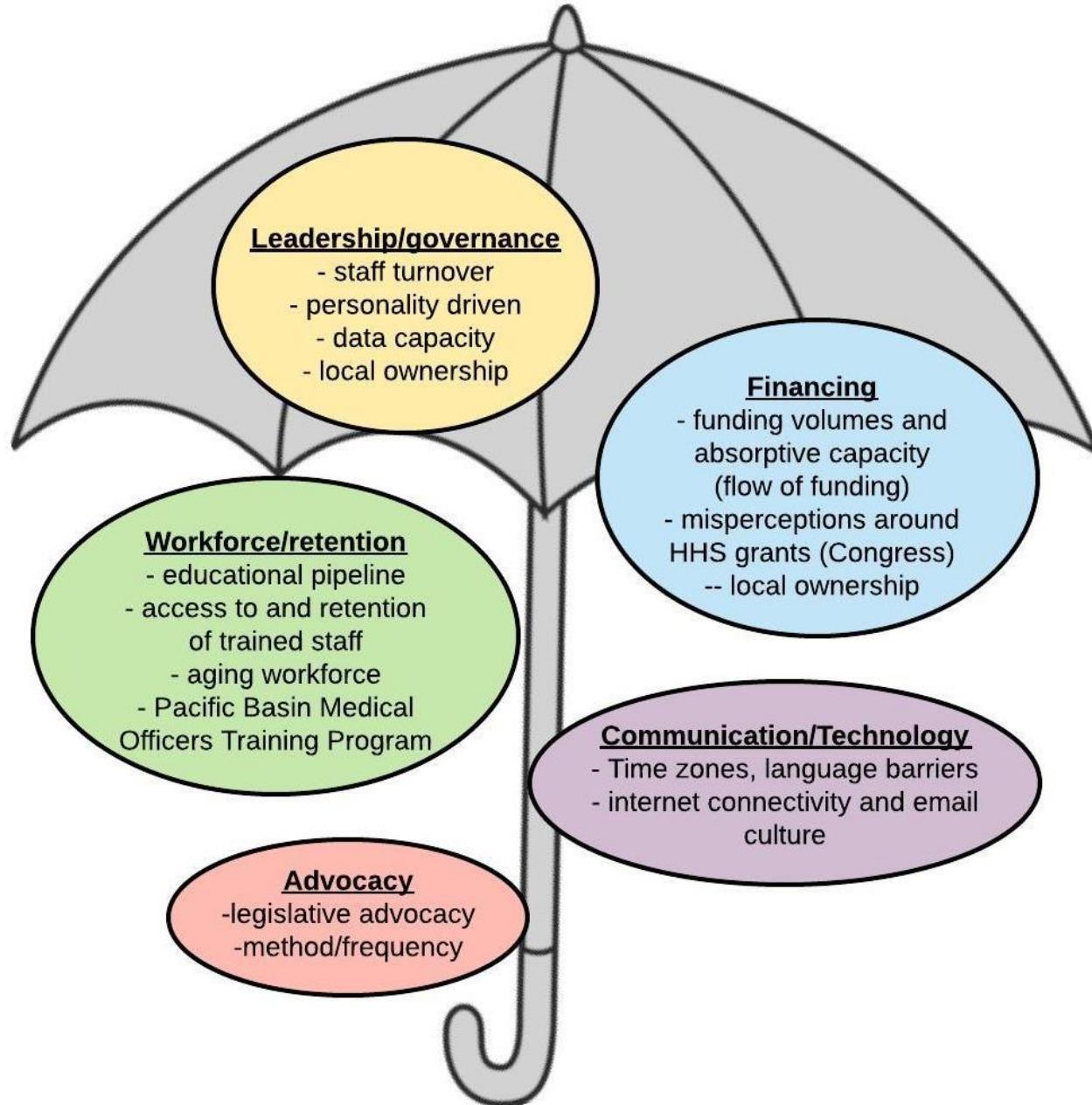
Connectivity: okay  
Stocked supplies: good  
Diagnostics/lab capacity: good  
Policy frameworks: good

Financing: \$802,000,000 (\$573 per capita)  
(48% local)

Staffing: 2 / 1,000

Connectivity: good  
Stocked supplies: good  
Diagnostics/lab capacity: good  
Policy frameworks: good

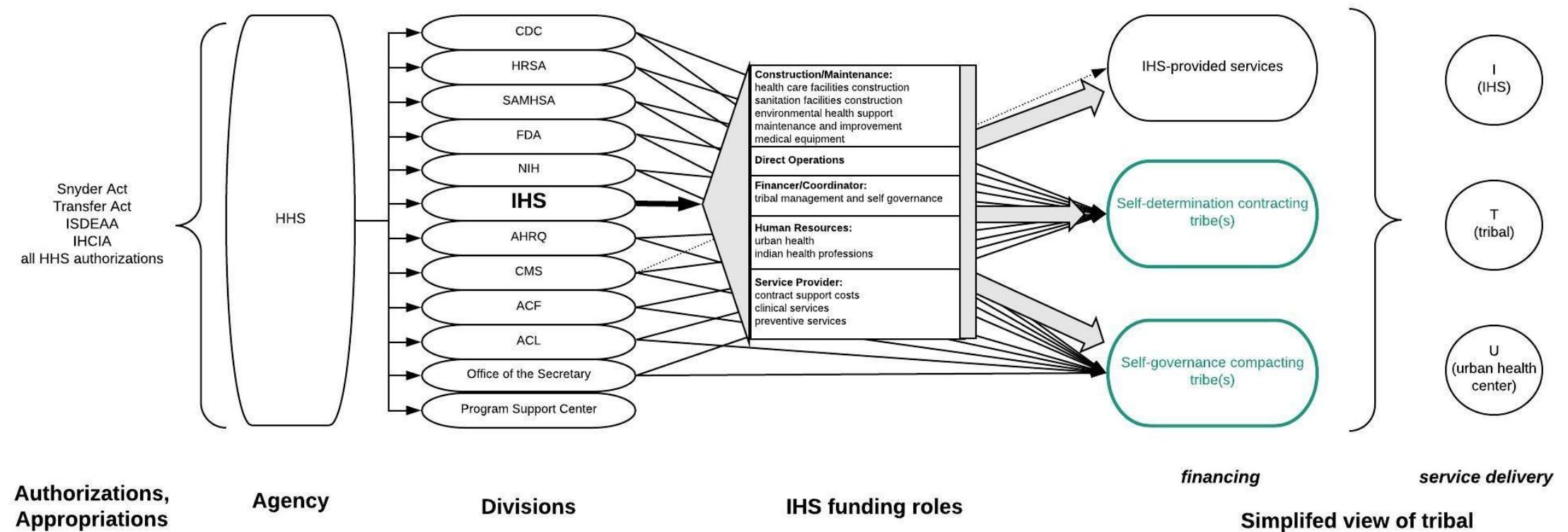
# Interviews



# Alternative Health Support Strategies

| Model   | Mission   | Focus       | Focal population                                    |
|---|---|-------------|---|
| <b>DOI (COFA)</b>   | Advance the economic self-sufficiency of FAS populations  | Development | FAS   |
| <b>HHS</b>  | Enhance and protect the health and well-being of all Americans                                    | Health      | US  |
| <b>Indian Health Service</b>  | Promote the physical, mental, social, and spiritual health of American Indians and Alaska Natives | Health      | American Indian / Alaska Native (AI/AN) populations |
| <b>USAID</b>  | Foster sustainable development  | Development | Developing world                                    |
| <b>PEPFAR</b>   | Achieve an AIDS-free generation   | Health      | Target countries                                    |
| <b>FSM and RMI: where does the “special relationship” leave them?</b> |   |             |   |

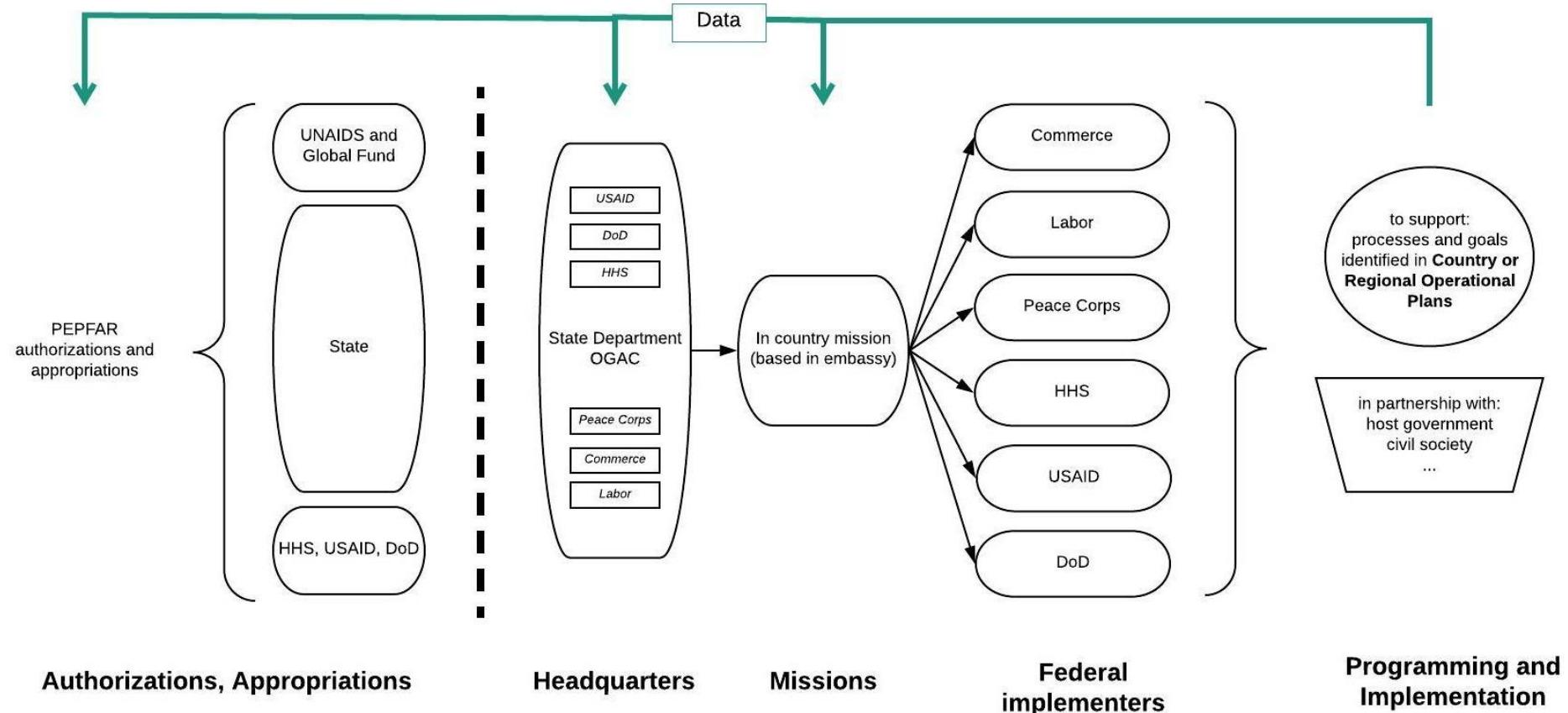
# USG support for AI/AN populations



## Takeaways:

- Advocacy and high level legal action
- Concepts, but not direct translation

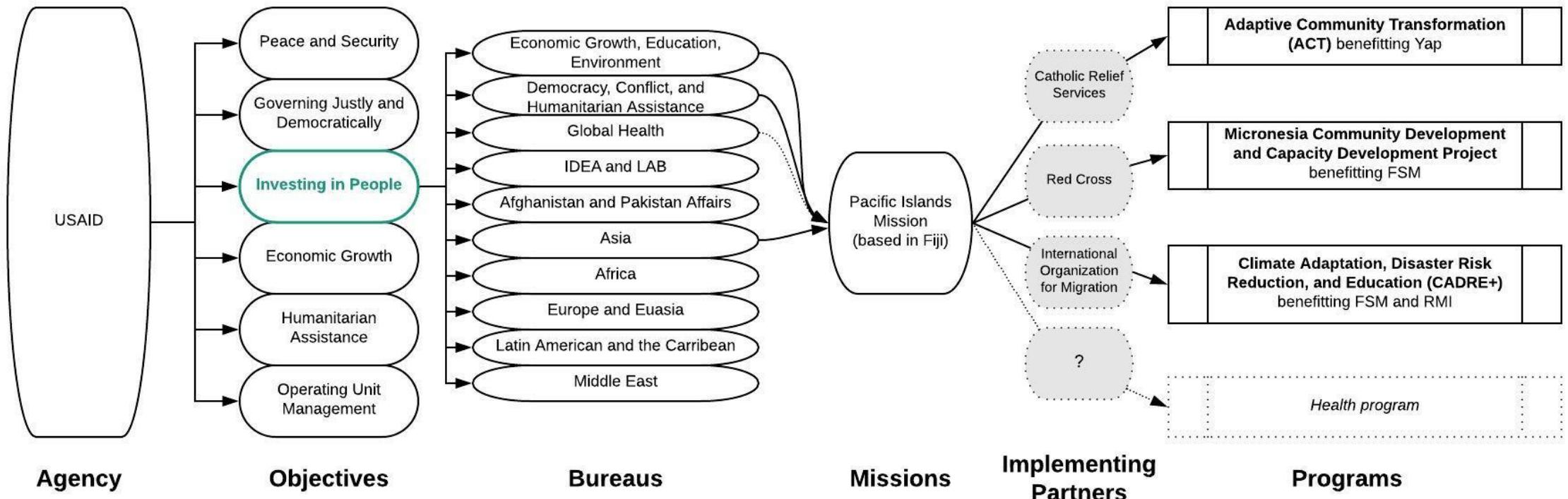
# Foreign Appropriations (PEPFAR)



## Takeaways:

- Sustainability
- Emphasis on data
- Bipartisan support

# Foreign Appropriations (USAID)



## Takeaways:

- Developmental approach
  - HHS assumption: operate like states
- Per capita funding

# Non-federal: NGOs, multilats, PPP, other nations

- NGOs: resources for advocacy, coordination, TA, education
  - Many based outside of FSM/RMI
- Multilats: resources for networks and financing
  - WPRO, WB
- Public-private partnerships: resources for innovation and technology
  - Diagnostic Lab Services
- Other nations:
  - China/Taiwan
  - Australia
  - Territories, Palau

# Policy Implications

- Overview
- HHS - USAID
- Local ownership
- Departmental coordination, strategy

# Policy Implications

| <b><u>HHS</u></b>   | <b><u>FSM/RMI</u></b>  | <b><u>Non-governmental</u></b>  |
|---|--|---|
| <ol style="list-style-type: none"><li>1. Preserve FSM/RMI eligibility</li><li>2. Coordinate “whole of HHS”<ol style="list-style-type: none"><li>1. Institutionalize relations, solutions</li><li>2. Interagency</li></ol></li><li>3. Promote local ownership (finances, data)</li><li>4. Promote development</li><li>5. Consider: partnership with USAID, IHS</li></ol> | <ol style="list-style-type: none"><li>1. Increase local ownership and financing</li><li>2. Strategically maximize external financing</li><li>3. Improve data capacity</li><li>4. Increase legislative advocacy</li><li>5. Seek out partnerships</li><li>6. Improve flow of funding; increase absorptive capacity</li></ol> | <ol style="list-style-type: none"><li>1. Alternative financers</li><li>2. Resource for:<ol style="list-style-type: none"><li>1. Efforts to increase local financing, local ownership</li><li>2. Technical assistance</li><li>3. Legislative advocacy</li><li>4. Workforce capacity</li><li>5. Access into vulnerable populations</li><li>6. Education</li></ol></li></ol> |

2023 planning

*Future considerations: climate change + other health issues... outmigration*

# HHS and USAID approaches in FSM/RMI

## Why HHS?

(?) More per capita financing

(?) More secure financing

Established relationships

BUT need to incorporate developmental perspective

| Strengths and weaknesses of HHS and USAID approaches in FSM/RMI           |  |
|---|--|
| Benefits of HHS   | Benefits of USAID  |
| Technical expertise   | Development expertise  |
| Established relationships   | Broader funding authorities to operate internationally                               |
| Overlap of health burdens, rural-related issues                           | Multisectoral approach   |
| Disadvantages of HHS  | Disadvantages of USAID   |
| Disease-focused financing structure                                       | Health funding for FSM, RMI might lose out to other development priorities           |
| No developmental mission; built to support developed state health systems | Health funding for FSM, RMI might lose out to larger countries (even within Pacific) |

## Joint HHS-USAID approach?

# Local ownership and financing

- How can FSM/RMI locally own external financing?
- Local finances
- Costed strategic action plans
  - PEPFAR COPs + State processes
- Comprehensive health systems approach
- Benefits relationships with other external financers

Post-2023 strategy planning

## JEMCO/JEMFAC processes

Available financing  
Compact funds



## Health system priorities

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Medium-term budget plan

"Navigate"

## State budget processes

### Health system priorities

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_



### Available financing

local revenues  
federal grants  
private sector



Costed strategic action plan

"Lead"

# Departmental coordination

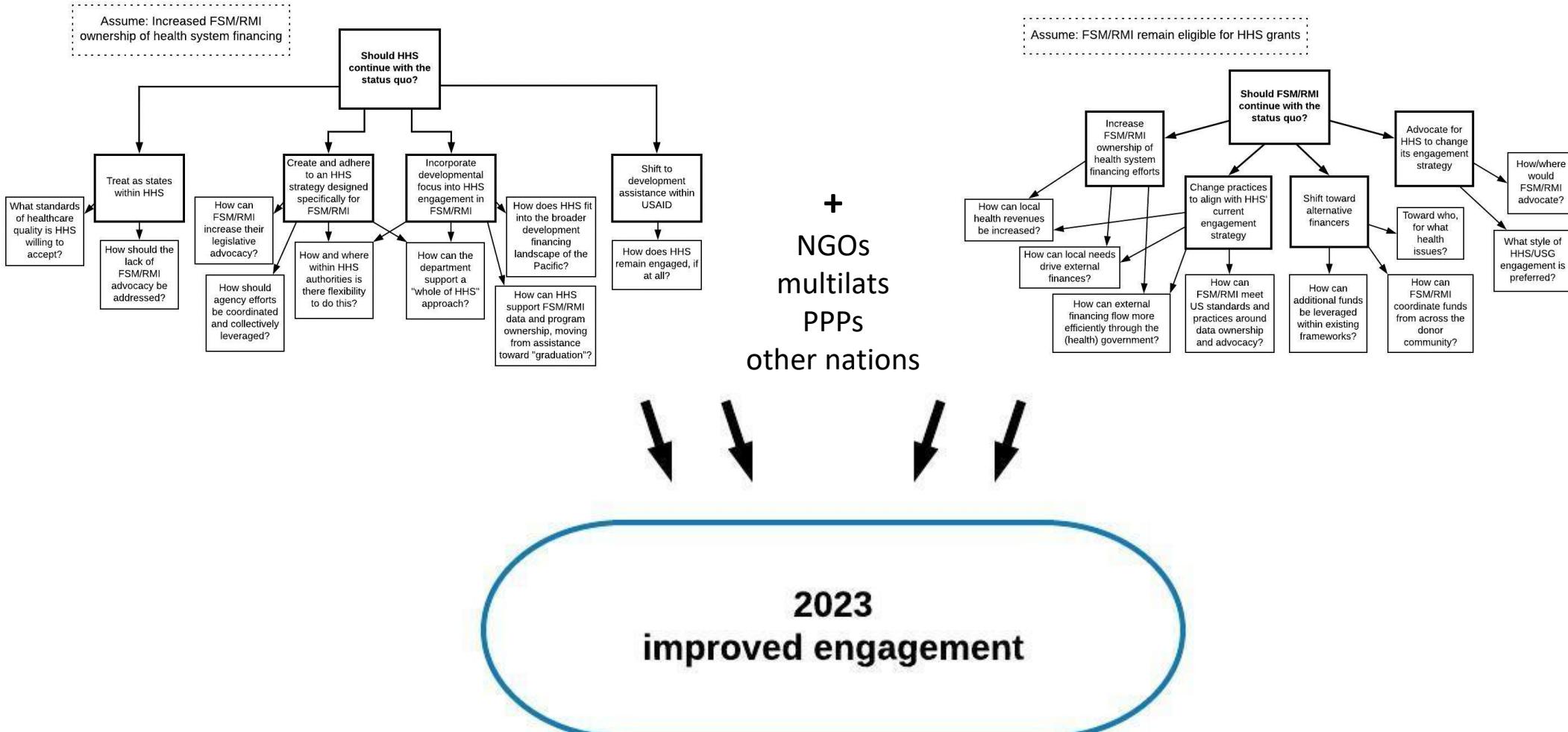
Address eligibility, then:

- Coordinate “whole of HHS”
  - Guidance
  - Institutionalize relations and solutions
  - Interagency
- Do more to promote:
  - Development
  - Local ownership (finances, data)



Support FSM/RMI post-2023 strategy planning (TA)

# It's just the beginning!



# Thank you

- Those who shared their perspective for this project: interviews, surveys, data/resource sharing, email, etc.
- Erika Elvander and the Asia Pacific team at OGA
- SINSI
- Subroto Banerji

Questions?

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