



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Benigno R. Fitial
Governor

Eloy S. Inos
Lieutenant Governor

EXECUTIVE ORDER NO. 2011-06

SUBJECT: Relative to transferring the responsibility for the administration and operation of the Commonwealth of the Northern Mariana Islands Division of Medicaid Services (also known as the Medicaid Office) from the Commonwealth Healthcare Corporation to the Office of the Governor.

AUTHORITY: "The Governor may make changes in the allocation of offices, agencies and instrumentalities and in their functions and duties that are necessary for efficient administration." CNMI Constitution, Article III, Section 15.

WHEREAS, the Commonwealth of the Northern Mariana Islands Division of Medicaid Services (a.k.a. and hereinafter referred to as the "Medicaid Office") is currently organized under and as a part of the Commonwealth Healthcare Corporation.

WHEREAS, having the Medicaid Office under the Commonwealth Healthcare Corporation ("CHC") creates a potential conflict of interest. The Medicaid Office is the designated payer of Medicaid funds and as such it has a duty to make payments to all eligible payees. CHC is an eligible payee of Medicaid funds. Having the Medicaid Office subordinate to CHC risks favoritism in payments to CHC over other eligible payees. Such a circumstance should not be risked or countenanced as it is unfair to other medical providers, risks Medicaid funding and opens up the government to potential sanction.

WHEREAS, having the Medicaid Office under CHC makes CHC fiscally responsible for the Medicaid Office and the administration of Medicaid payments. Currently, CHC is required to match Medicaid funding by 45%, that is, CHC is required to match funding \$.45 to the dollar. CHC is currently in a frail financial state and the matching requirement is an extreme fiscal burden. The Office of the Governor is in a better position to efficiently raise and allocate the necessary funds to meet the matching requirement.

NOW, THEREFORE, to promote efficient administration and operation of the Medicaid Office, it is hereby,

ORDERED:

The Commonwealth Healthcare Corporation shall relinquish responsibility for the administration and operation of the Medicaid Office; and the Office of the Governor shall assume responsibility for the administration and operation of the Medicaid Office.

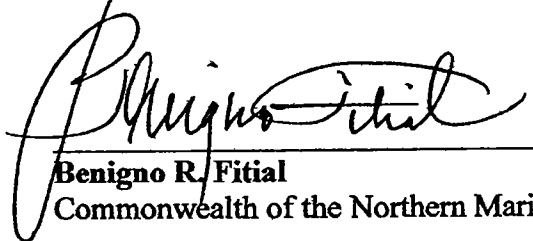
All records and property (including office equipment) of the Medicaid Office used in the administration of the Medicaid Office, all the personnel used in the administration of the Medicaid Office (including employees whose chief duties relate to such administration) are hereby transferred to the Office of the Governor. All personnel transferred pursuant to this Executive Order shall maintain their current positions and status in the classified civil service or in the excepted service as the case may be. The Office of Personnel shall ensure an orderly transfer of personnel.

The unexpended balances of appropriations, allocations, allotments, or other funds available for the use of the Medicaid Office on the effective date of the transfer are transferred to the Office of the Governor on the effective date of this transfer. In the transfer of such funds, an amount may be included for the liquidation of obligations incurred prior to the transfer. Any portion of such balances not so transferred may be reprogrammed by the Governor. Subsequent to the transfer, Medicaid Office operations shall be reflected in the annual Office of the Governor budget.

There shall be regular communication between the Chief Executive of the Commonwealth Healthcare Corporation or his designees and the Governor or his designees to ensure an efficient transition. This communication and cooperation shall extend beyond the transfer with the ultimate goal of optimal efficiency in the operations of the Medicaid Office.

In accordance with the Constitution, this plan shall become effective sixty days after submission to the Legislature, unless specifically modified or disapproved by a majority of the members of each house of the Legislature, provided, that in case it shall appear to the Governor that the interest of economy or efficient management require that the transfer be delayed beyond the date this plan becomes effective, the Governor may, in his discretion, fix a later date therefore, and he may for like cause further defer such date from time to time.

SIGNED AND PROMULGATED on this 29th day of December, 2011.



Benigno R. Fitial
Commonwealth of the Northern Mariana Islands