

**I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN**  
**2016 (SECOND) Regular Session**

Bill No. 240-33 (LS)

Introduced by:

D.G. RODRIGUEZ, JR.   
R.J. RESPICIO 

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**AN ACT TO AMEND TITLE 11 GUAM CODE ANNOTATED,  
CHAPTER 26, §26216 RELATIVE TO PROVIDING RELIEF  
TO HEALTH CARE PROVIDERS OF THE GUAM  
MEMORIAL HOSPITAL AUTHORITY (GMHA), THE  
MEDICALLY INDIGENT PROGRAM (MIP), AND THE  
GUAM MEDICIAD PROGRAM BY AUTHORIZING THE  
OFFSET OF BUSINESS PRIVILEGE TAXES (BPT) AGAINST  
PAST DUE BILLINGS.**

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1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1.** Section 26216 of Chapter 26 of Title 11 of the Guam Code  
3 Annotated is hereby *amended* to read as follows:

4 **“§ 26216. Health Care Service Provider.**

5 (a) Offset Against Business Privilege Taxes for Past Due Medically Indigent  
6 Program or Guam Memorial Hospital Authority Billings.

7 (1) If the Medically Indigent Program (MIP), or the Guam Medicaid  
8 Program, or the Guam Memorial Hospital Authority (GMHA) fails to  
9 pay a claim for services and products for more than ninety (90) days after  
10 receiving an invoice, the health care provider, unless he has a qualifying  
11 certificate, that provided said services or products *shall* be entitled to an  
12 offset equal to the value of unpaid for MIP, the Guam Medicaid Program,  
13 or the GMHA services it provides against the Business Privilege Taxes it

1 owes for any given month. The value of said services and products *shall*  
2 be the MIP, the Guam Medicaid Program, or the GMHA rates for the  
3 provider's claims that are approved by the MIP, the Guam Medicaid  
4 Program, or the GMHA.

5 (2) Any unused offset authorized by this Section against Business  
6 Privilege Taxes owed for any given month may be carried over into  
7 subsequent months until said offset is exhausted.

8 (3) The government *shall not* pay health care providers for services *if* an  
9 offset against total Business Privilege Taxes has been exercised.

10 (4) Any health care service provider that claims an offset against  
11 Business Privilege Taxes pursuant hereto must "participate" and  
12 continuously provide services to MIP or Guam Medicaid Program  
13 recipients or the GMHA to qualify for said offsets for any given month.  
14 The term "participate" in this subsection means that ten percent (10%) of  
15 the patients *or* clients serviced by the provider in a given month must be  
16 recipients of the Medically Indigent Program, the Guam Medicaid  
17 Program, or as determined eligible by the GMHA.

18 (5) "*Health Care Service Provider*", in this subsection means a properly  
19 licensed business that provides medical equipment *or* supplies;  
20 pharmaceutical health care services and products; medical health care  
21 services; dental health care services; behavioral health care services; and  
22 allied health care services, including a clinic, hospital, specialized health  
23 care facility, licensed practitioner, hospital or health care providers to  
24 recipients of the Medically Indigent Program, the Guam Medicaid  
25 Program, or the Guam Memorial Hospital Authority.

1 (6) Assignment of offsets. A healthcare service provider may assign any  
2 offsets authorized by subitem (a)(1), *supra*.

3 (b) Reimbursements. The Director of Administration or GMHA shall reduce the  
4 amount of a provider's MIP, the Guam Medicaid Program, or the GMHA  
5 payables by the amount of Business Privilege Taxes offset it exercises. Tax  
6 offsets exercised by a provider *shall* constitute final payment of MIP, Guam  
7 Medicaid Program, or the GMHA obligations. The appropriations for MIP or  
8 GMHA for a fiscal year *shall* be automatically reduced by the amount of any  
9 tax offsets taken in that year. The appropriations for the Guam Medicaid  
10 Program local matching fund shall automatically be increased by an amount  
11 equal to the tax offsets realized pursuant to this section, that are used against the  
12 program to reflect Guam's local match to the program.

13 (c) Coordination. To avoid double payment to providers, the Director of  
14 Revenue and Taxation *shall* immediately notify the Director of Administration  
15 and the appropriate department *or* agency when a health care service provider  
16 claims an offset pursuant to this section.

17 (d) Administrative Rules and Regulations. Unless previously promulgated, the  
18 Director of Revenue and Taxation *shall*, ~~pursuant to the Administrative~~  
19 ~~Adjudication Law upon enactment of this Act, enact promulgate~~ rules and  
20 regulations to implement this Section, which shall become effective upon the  
21 transmission of the rules and regulations to the Speaker of I Liheslaturan  
22 Guahan." within ninety (90) days after enactment hereof."

23 **Section 2. Sunset Provision.** The provision that allows the Guam Memorial  
24 Hospital Authority vendors to utilize the tax offsets authorized in this section, shall  
25 sunset on September 30, 2016.