EDDIE BAZA CALVO
Governor

RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam

APR 1 4 2016

33-16-1524
Office of the Speaker
Judith T. Won Pat, Ed.D
Date: 04-15-16
Time: 8:54pm
Received By:

Honorable Judith T. Won Pat, Ed.D.
Speaker
I Mina'trentai Tres Na Liheslaturan Guåhan
155 Hesler Street
Hagåtña, Guam 96910

Dear Madame Speaker:

Transmitted herewith is Bill No. 277-33 (COR), "**AN ACT TO *ADD* A NEW CHAPTER 68A TO DIVISION 2, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO DIRECTING THE GUAM ECONOMIC DEVELOPMENT AUTHORITY TO DEVELOP AND PUBLISH A REQUEST FOR INFORMATION RELATIVE TO HOW AN INTERESTED CONTRACTOR, HOSPITAL MANAGEMENT TEAM, OR OPERATOR WOULD TRANSITION FROM GOVERNMENT OPERATION OF THE GUAM MEMORIAL HOSPITAL TO A PUBLIC-PRIVATE PARTNERSHIP WHILE CONTINUING TO PROVIDE QUALITY HOSPITAL SERVICES ACCESSIBLE TO ALL THE PEOPLE OF GUAM AND THE OVERALL ASSESSMENT OF GUAM'S DELIVERY OF HEALTH CARE SERVICES,**" which I signed into law on April 12, 2016, as **Public Law 33-143**.

2016 APR 15 AM 10:16

Senseramente,

EDDIE BAZA CALVO

1524

P.O. Box 2950 • Hagatna, Guam 96932
Tel: (671) 472-8931 • Fax: (671) 477-4826 • governor.guam.gov • calendar.guam.gov
Eddie Baza Calvo @eddiebazacalvo @governorcalvo governorofguam

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

CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'LÅHEN GUÅHAN*

This is to certify that **Substitute Bill No. 277-33 (COR), "AN ACT TO *ADD* A NEW CHAPTER 68A TO DIVISION 2, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO DIRECTING THE GUAM ECONOMIC DEVELOPMENT AUTHORITY TO DEVELOP AND PUBLISH A REQUEST FOR INFORMATION RELATIVE TO HOW AN INTERESTED CONTRACTOR, HOSPITAL MANAGEMENT TEAM, OR OPERATOR WOULD TRANSITION FROM GOVERNMENT OPERATION OF THE GUAM MEMORIAL HOSPITAL TO A PUBLIC-PRIVATE PARTNERSHIP WHILE CONTINUING TO PROVIDE QUALITY HOSPITAL SERVICES ACCESSIBLE TO ALL THE PEOPLE OF GUAM AND THE OVERALL ASSESSMENT OF GUAM'S DELIVERY OF HEALTH CARE SERVICES,"** was on the 2nd day of April 2016, duly and regularly passed.

Judith T. Won Pat, Ed.D.
Speaker

Attested:

Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'låhen Guåhan* this 04 day of APRIL, 2016, at 12:24 o'clock P.M.

Assistant Staff Officer
Maga'låhi's Office

APPROVED:

EDWARD J.B. CALVO
I Maga'låhen Guåhan

Date: APR 12 2016

Public Law No. 33-143

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

Bill No. 277-33 (COR)
As substituted by the Committee on Health, Economic Development, Homeland Security, and Senior Citizens; and amended on the Floor.

Introduced by:

Dennis G. Rodriguez, Jr.
T. C. Ada
R. J. Respicio
V. Anthony Ada
Tommy Morrison
N. B. Underwood, Ph.D.
Judith T. Won Pat, Ed.D.
FRANK B. AGUON, JR.
Frank F. Blas, Jr.
B. J.F. Cruz
James V. Espaldon
Brant T. McCreadie
T. R. Muña Barnes
Mary Camacho Torres

AN ACT TO *ADD* A NEW CHAPTER 68A TO DIVISION 2, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO DIRECTING THE GUAM ECONOMIC DEVELOPMENT AUTHORITY TO DEVELOP AND PUBLISH A REQUEST FOR INFORMATION RELATIVE TO HOW AN INTERESTED CONTRACTOR, HOSPITAL MANAGEMENT TEAM, OR OPERATOR WOULD TRANSITION FROM GOVERNMENT OPERATION OF THE GUAM MEMORIAL HOSPITAL TO A PUBLIC-PRIVATE PARTNERSHIP WHILE CONTINUING TO PROVIDE QUALITY HOSPITAL SERVICES ACCESSIBLE TO ALL THE PEOPLE OF GUAM AND THE OVERALL ASSESSMENT OF GUAM'S DELIVERY OF HEALTH CARE SERVICES.

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

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that the manner and method of operating the Guam Memorial Hospital Authority (GMHA or Hospital) requires significant changes in order to provide quality health care services to the people of Guam. Challenges in financial stability date back to the inception of the Hospital in the late 1970s. The original Guam Memorial Hospital was constructed at *Satpon* Point in 1956, representing a major change in the history of the local government's attaining a direct role in the delivery of hospital services. Previously, the U.S. government provided free hospital and healthcare services to the people of Guam. This provision of free health care initially created an expectation within portions of the community that continues somewhat to this day, as evidenced by the historical lack of payment by a significant portion of the self-pay patients, uninsured patient categories, and even insured patients' copayments. In 1964, the Guam Memorial Hospital was established as a line agency of the government of Guam's executive branch. Thirteen (13) years later, in 1977, the Guam Memorial Hospital Authority was established as a public corporation, and has since been operating as a governmental, nonprofit institution serving the people of Guam under the governance of a nine (9) member Board of Trustees.

In the late 1970s, the government transitioned from the rapidly deteriorating facility at *Satpon* Point by purchasing and transferring to the nearby Medical Center of the Marianas at *Oka* Point, which was initially constructed by the Catholic Archdiocese of *Agaña*. The Hospital's historically tumultuous financial difficulties can be traced to its beginning with a deficit of Nine Million Dollars by 1978 during its initial operation as a public corporation, with continual deficits, to date. That deficit has grown to Twenty Million Dollars in 2015, and the Hospital has never been without significant deficits since those early times. From the initial commencement of services, the practice of the government was to provide

subsequent funding to maintain and continue services for all patients, regardless of their ability to pay.

I Liheslaturan Guåhan further finds that history is again repeating itself and the current situation will not change unless we assess a different path. Continuous parades of boards of appointed trustees and administrators have passed through the doors of GMHA. Notwithstanding the qualifications and expertise of the generations of appointees, the challenge continues to be dependable stability in the leadership and operational management of the Hospital. The continuing administrative instability impedes implementing and following through with well-planned, consistent efforts towards establishing a firm financial footing.

I Liheslaturan Guåhan therefore directs the Guam Economic Development Authority to develop a Request for Information (RFI) and put forth that RFI to the market. The purpose of this RFI is to seek information on how an interested contractor/hospital operator would transition government operation of the Guam Memorial Hospital Authority to a public-private partnership while continuing to provide quality care that is accessible to all the people of Guam. The Compilation and Analysis of any respondent will assist the community and policymakers to move in a direction that finally provides long-term sustainability of Guam's public hospital.

Section 2. A new Chapter 68A is *added* to Division 2 of Title 12, Guam Code Annotated, to read:

"CHAPTER 68A

GUAM MEMORIAL HOSPITAL AUTHORITY REQUEST FOR INFORMATION; MANAGEMENT AND OPERATIONS

§ 68A101. (a) Request for Information. The Guam Economic Development Authority (GEDA) *shall* develop and publish a Request for Information (RFI) for the purpose of soliciting and determining public interest

and the desired direction public policymakers may take relative to the management and operation(s) of the Guam Memorial Hospital Authority (GMHA). The information to be solicited *shall* include, at a minimum, but *shall not* be limited to:

(1) the transfer of the management and operation of GMHA in its entirety to either a for-profit or non-profit entity;

(2) the transfer of limited management and operation of only specific GMHA operations and assets;

(3) a public/private collaboration in the operation of the hospital;

(4) a public/private collaboration in renovations to the existing hospital structure or rebuilding a new hospital facility;

(5) the re-use of the existing GMHA facility and/or property;

(6) an assessment of Guam's healthcare industry and market and gaps in overall healthcare services;

(7) information related to the level of available federal and non-governmental funding mandated by law and how any change in GMHA's operational structure would impact the availability of federal and non-governmental funding;

(8) an assessment of Guam's healthcare information and research infrastructure;

(9) the continued provision of quality hospital services accessible to all the people of Guam;

(10) information relative to an annual health care summit that will gather industry leaders, policymakers, regulators, providers, payers and patient representatives to discuss what it takes to make innovation affordable and medicine safe and accessible;

(11) a feasibility study for a universal regional health insurance plan to include the FSM and RMI;

(12) a feasibility study for a universal regional health insurance plan to include Guam, CNMI, FSM and RMI; and

(13) a feasibility study for a health insurance plan to cover indigent programs (MIP and Medicaid).

The publication of the RFI *shall* expressly state that it is being issued solely for the purpose of soliciting public information for planning purposes, does not constitute a Request for Proposal (RFP), and does not commit the government to contract for any supply or service. GEDA *shall not* accept unsolicited submissions that are deemed beyond the scope and intent of the RFI.

Respondents *shall* be advised that the government of Guam will not pay for any information received or administrative costs incurred in responding to this RFI. All costs experienced or associated with responding to this RFI will be incurred solely at the contributing party's expense. Not responding to this RFI does not preclude participation in any future RFP, if any is issued. All submissions to this Request for Information *shall* become the property of the government of Guam, subject to public review, and will not be returned. Any issues relating to intellectual property and copyright must be clarified by the respondent and clearly marked.

(b) Delivery Period/Dissemination. GEDA *shall* publicly disseminate the RFI in a manner to solicit the broadest number of qualified interested respondents. Registries, direct mailings, and other methods, at a minimum, *shall* be utilized to maximize the potential number of responses to the RFI.

GEDA *shall* adhere to the following schedule:

(1) within sixty (60) days from enactment of this Act, develop and publish the Request for Information (RFI);

(2) provide for a fifteen (15) day question period, Saturday, Sunday, and government holidays excepted, commencing from the date of publication, for requested clarification(s) on the RFI from interested parties/potential respondents;

(3) provide a thirty (30) day period, Saturday, Sunday, and government holidays excepted, after the close of the question period for submission to the RFI by respondents;

(3) compilation by GEDA of the RFI submissions by respondents; and

(4) transmittal of the RFI compilation/results from GEDA to *I Maga'låhen Guåhan* and *I Liheslaturan Guåhan* no more than thirty days (30) days after the receipt of information to the RFI."

Section 3. Effective Date. This Act *shall* become effective upon enactment.