


MINA'BENTE OCHO NA LIHESLATURAN GUÅHAN
TWENTY-EIGHTH GUAM LEGISLATURE
2005 (FIRST) Regular Session

Bill No. 153 (EC)

Introduced by:

A. B. Palacios, Sr. 

AN ACT TO EARMARK THE REVENUES FROM THE COLLECTION OF THE FOUR PERCENT (4%) GROSS RECEIPTS TAX ON THE SALE OF MEDICINE, PHARMACEUTICALS, MEDICAL EQUIPMENT, MEDICAL SUPPLIES, PROVISION OF MEDICAL SERVICES AND THE USE TAX ON THE IMPORTATION OF MEDICAL EQUIPMENT AND SPECIFICALLY UTILIZE THESE REVENUES TO FUND THE MEDICALLY INDIGENT PROGRAM, AND TO ADD NEW SUBSECTIONS (p), (q), (r), (s), AND (t) TO §2906 OF CHAPTER 2, ARTICLE 9, TITLE 10, OF THE GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING THE MEDICALLY INDIGENT FUND WITHIN THE DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES.

BE IT ENACTED BY THE PEOPLE OF GUAM:

1 **Section 1. Legislative findings and intent.** The government of Guam
2 currently imposes a four percent (4%) Gross Receipts Tax (GRT) on the sale of
3 medicines, pharmaceuticals, medical supplies and the provision of medical care and
4 services to the people of Guam. These revenues are utilized by the government of
5 Guam for the provision of needed services to the people of Guam.

6 I Liheslaturan Guåhan acknowledges and finds that the provision of medical
7 health care services to the medically indigent segment of our island community is one
8 of the most paramount priorities of the government of Guam. Needless to say,

1 several hundreds of these medically indigent clients need to seek medical care and
2 attention off-island because of the gravity and serious nature of their cardiac-related
3 ailments and other infirmities.

4 I Liheslaturan Guåhan finds that there are more than ten thousand individuals
5 who are currently enrolled in the Medically Indigent Program, of whom seventy-two
6 percent (72%) already incurred more than Ten Million Dollars (\$10,000,000) in
7 medical billings during the first eight months of this Fiscal Year 2005.

8 I Liheslaturan Guåhan also finds that, in the prioritization of needed budgetary
9 and financial allocations for health programs, the most serious manifestation of
10 budgetary and policy commitment on the part of the government of Guam should be
11 largely directed towards the provision of life-sustaining health services to the
12 economically disadvantaged and the most helpless segment of Guam's society.

13 I Liheslaturan Guåhan further finds that about forty percent of our island
14 residents are medically indigent, of whom only about twenty percent qualify for
15 Medicaid assistance, further compounding the situation.

16 I Liheslaturan Guåhan also finds that the determination to allocate sufficient
17 budgetary resources to ensure the provision of critically-needed health services,
18 especially life-sustaining, to the thousands of medically indigent residents of Guam is
19 clearly consistent with their social and moral responsibility.

20 I Liheslaturan Guåhan finally acknowledges that the earmarking of continuing,
21 specific source of funding will enhance considerably the ability of the government of
22 Guam to sufficiently fund the Medically Indigent Program.

23 I Liheslaturan Guåhan, therefore, desires to earmark a specific portion of the
24 Gross Receipts Tax revenues to fund the Medically Indigent Program.

25 **Section 2. Allocation of Revenues.** The revenues collected from the four
26 percent (4%) Gross Receipts Tax on the sale of medicine, pharmaceuticals, medical
27 equipment, medical supplies, provision of medical services, shall be exclusively

1 utilized and allocated to fund the operation of the Medically Indigent Program,
2 thereby ensuring provision of critically-needed health services to the medically
3 indigent population of Guam.

4 **Section 3. Establishment of Medically Indigent Fund and Reporting**
5 **Requirements.** New subsections (p), (q), (r), (s), and (t) are added to §2906, Chapter
6 2, Article 9, Title 10, Guam Code Annotated, to read:

7 “(p) **Medically Indigent Fund.** There is hereby created the Medically
8 Indigent Fund, separate and apart from that of the government General Fund
9 accounts and which shall be administered by the Department of Public Health
10 and Social Services. This Fund, together with all interest thereon, shall be
11 utilized exclusively for the support of the Medically Indigent Program.
12 Notwithstanding any provision of law to the contrary, the Director of
13 Administration and the Treasurer of Guam shall deposit all the collected
14 revenues referred to under Section 2 of this Act into the Medically Indigent
15 Fund.

16 (q) **Expenditure of the Medically Indigent Fund.** The Director of
17 Public Health and Social Services is hereby authorized to spend the monies in
18 the Medically Indigent Fund solely for the operation of the Medically Indigent
19 Program, consistent with all applicable provisions of law.

20 (r) **Quarterly Revenue Collection Report.** The Director of Revenue
21 and Taxation shall submit to I Liheslaturan Guåhan a quarterly report, detailing
22 the monthly amount of revenues collected from the imposition of the four
23 percent (4%) Gross Receipts Tax as provided for under Section 2 of this Act.
24 Likewise, the Director of Customs and Quarantine Agency shall submit to I
25 Liheslaturan Guåhan detailing the monthly collection of use tax on the
26 importation of medical equipment.

1 (s) **Expenditure Report.** The Director of Public Health and Social
2 Services shall submit a quarterly expenditure report to I Liheslaturan Guåhan
3 on the monthly expenditure of the Medically Indigent Fund.

4 (t) **Financial Statement Report.** The Director of Administration shall
5 submit a monthly report to I Liheslaturan Guåhan on the amount of monies
6 deposited to the Medical Indigent Fund.”

7 **Section 4.** I Liheslaturan Guåhan shall appropriate from the General Fund,
8 from time to time additional monies to the Medically Indigent Fund to supplement the
9 financial demand of the Program.

10 **Section 5.** Notwithstanding any provision of law to the contrary, the Director
11 of Public Health and Social Services is authorized to negotiate contractual working
12 arrangement directly with medical providers, locally or off-island, to provide needed
13 health care services for the Medically Indigent Program.

14 **Section 6. Severability.** If any provision of this law or its application to any
15 person or circumstance is found to be invalid or contrary to law, such invalidity shall
16 not affect other provisions and that other applications of this law can be given effect
17 without the invalid provisions or application, and to this end the provisions of the law
18 are severable.