

MINA BENTE OCHO NA LIHESLATURAN GUÅHAN
2006 (SECOND) REGULAR SESSION

BILL NO. 346 (FC).

INTRODUCED BY:

F. B. AGUON, JR. 

AN ACT RELATIVE TO PROVIDING FOR GREATER FINANCIAL PLANNING FOR GOVERNMENT EMPLOYEES, RETIREES, AND THE GOVERNMENT OF GUAM IN COVERING THE COSTS OF HEALTH CARE INSURANCE PREMIUMS, THROUGH EXPANDING THE TERM OF HEALTH AND MEDICAL INSURANCE COVERAGE FROM ONE (1) TO THREE (3) YEARS; AMENDING SUBSECTION (e) HEALTH INSURANCE, §4302, CHAPTER 4, ARTICLE 3, TITLE 4, GUAM CODE ANNOTATED.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 **Section 1. Legislative Findings and Intent.**

3 The Liheslaturan Guahan finds that the process for negotiating the
4 health insurance premiums for all government of Guam employees and
5 retirees is conducted annually, and at times have resulted in completed
6 negotiations being finalized and anticipated adjustments in health
7 insurance premiums being provided publicly to the employees and retirees
8 within a relatively short period of time. This short timeframe provided to
9 many employees and retirees have made it difficult for their families to
10 adequately plan for their financial requirements, due to unanticipated
11 increases in healthcare premiums.

1 The Liheslaturan Guahan further finds that it would be beneficial to
2 government employees, retirees, and the government of Guam if the
3 contracted period for the provision of health insurance were extended from
4 an annual basis to a term of three (3) years. This would enable the
5 employees and retirees to properly and adequately plan for any
6 adjustments in the health insurance premiums prior to its effective date, in
7 particular many months in advance. Furthermore, this would also allow
8 the government of Guam to plan appropriately on applying the anticipated
9 costs for health insurance premiums due by the employer.

10 Therefore, it is the intent of I Liheslaturan Guahan to extend the
11 negotiated term for health and medical insurance coverage from one (1) to
12 three (3) years, this would enable the employees, retirees, and the
13 government to better plan for the payment of the premium costs for future
14 insurance coverage, and further assist families and retirees to more
15 adequately plan for their familial healthcare needs.

16 **Section 2. Extension of Negotiated Contracted Time Period for**
17 **Government of Guam Health Insurance from One (1) to Three (3) Years.**

18 Subsection “(e)” of §4302. Same: Health Insurance or Provision of
19 Healthcare, Chapter 4, of Article 3, Group Benefits, Title 4 Guam Code
20 Annotated, is hereby amended to read as follows:

21 “(e) Effective October 1, 1986, the contract period for health
22 insurance or provision of health care shall coincide with the fiscal year of

1 the government of Guam. To that end, the contract period proceeding the
2 one for FY '87 may be for less than twelve (12) months.

3 Effective October 01, 2007, the contract period for health insurance or
4 provision of health care shall be for a negotiated term of three (3) years,
5 with each term to commence at the beginning of each fiscal year of the
6 government of Guam. Any future negotiation process for subsequent
7 health insurance coverage for a new three (3) year term shall commence no
8 later than One Hundred Eighty (180) days prior to the expiration of the
9 existing insurance period, and shall be completed no later than Ninety (90)
10 days prior to the effective date of the new insurance coverage term.
11 Information on health insurance premiums, anticipated rates, and
12 insurance benefits shall be provided in writing to government of Guam
13 employees and retirees no later than Sixty (60) days prior to their effective
14 enrollment dates."

15 **Section 3. Severability Clause.**

16 If any provision of this Act or its application to any person or
17 circumstances is held invalid, the invalidity shall not affect other
18 provisions or applications of this Act which can be given effect without the
19 invalid provision or application, and to this end the provisions of this Act
20 are severable.