

I MINA' BENTE OCHO NA LIHESLATURAN GUAHAN
2006 (Second) Regular Session

Bill No. 349 (LS)

Introduced by:

B.J.F. Cruz 

R.J. Respicio 

AN ACT TO PROVIDE IMMEDIATE RELIEF TO GOVERNMENT OF GUAM EMPLOYEES, RETIREES, AND SURVIVORS FOR THE HIGH COSTS OF HEALTH INSURANCE BY ASSUMING RESPONSIBILITY FOR THE PAYMENT OF ALL DEDUCTIBLE EXPENSES UNDER THE GOVERNMENT OF GUAM GROUP HEALTH INSURANCE CONTRACT AND TO AUTHORIZE THE PAYMENT OF PREMIUMS FOR MEDICARE PLAN A (HOSPITAL INSURANCE COVERAGE), MEDICARE PLAN B (SUPPLEMENTAL MEDICAL INSURANCE), AND MEDICARE PLAN A & B, FROM THE GOVERNMENT'S AND EMPLOYEES' CONTRIBUTIONS FOR HEALTH INSURANCE RATES FOR RETIRED EMPLOYEES AND THEIR SURVIVORS BY AMENDING §4301 OF ARTICLE 3, TITLE 4 OF THE GUAM CODE ANNOTATED

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 **Section 1. Legislative Intent.** *I Liheslatura* finds that the health
3 insurance rates for government of Guam employees, retirees, and
4 survivors have increased dramatically over the course of the last few
5 years to levels that are unaffordable for coverage in health insurance

1 plans without deductibles. *I Liheslatura* further finds that providing
2 immediate relief to employees, retirees, and survivors of the
3 government is necessary while long term solutions are developed to
4 make healthcare more affordable.

5 Passage of this act will provide employees, retirees, and
6 survivors enrolled in the Government of Guam Group Health
7 Insurance Plans with immediate relief as the government will bear
8 the costs of all deductibles for employees, retirees, survivors and
9 their dependents.

10 Section 3 of this Act provides a permanent solution relative to
11 the large group of retirees and survivors age 65 and over, who are
12 currently ineligible for enrollment in Medicare Part A and Medicare
13 Part B as a result of past policies of the government of Guam. *I*
14 *Liheslatura* finds that expanded coverage and reduced costs for such
15 retirees would be accomplished if the government contributions for
16 health insurance premiums for such retirees and survivors were
17 instead used to pay for the premiums necessary to qualify with the
18 Social Security Administration for Medicare Part A & Part B
19 coverage. This would not result in any additional costs born by the
20 government or by the retiree or survivor.

21 This movement of elder retirees and survivors from the group
22 health insurance program will also positively impact the insurance
23 pool for which the group health insurance premiums are based,

1 resulting in the continued reduction of health care costs being born
2 by the active employees of the government.

3 **Section 2. Government of Guam Group Health Insurance**

4 **Deductibles To Be Paid.** A new paragraph (h) is added to §4301 of
5 Article 3, Chapter 4, of Title 4 of the Guam Code Annotated as
6 follows:

7 “(h) The amount of deductible for each class of an employee,
8 retiree, and survivor, and their dependents shall be born by the
9 government which shall pay the insurance company or health
10 maintenance organization offering group health coverage
11 under this section.”

12 **Section 3. Payments Authorized for Medicare Part A and Part**

13 **B Premiums.** Paragraph (b) of Section 4301 of Article 3, Chapter 4,
14 Title 4 of the Guam Code Annotated is hereby *amended* as follows:

15 “(b) All participation by employees in such contracts of
16 insurance shall be on a voluntary basis. Effective in the next
17 contract following the enactment of this subparagraph, the
18 government's contribution for health and dental insurance shall
19 be uniform within each class (including separate classes and
20 rates for retired employees and their survivors) for all
21 competing plans and shall not be less than fifty percent (50%) of
22 the lowest premium for a single employee, except that the
23 government shall increase the contributions it makes on behalf

1 of a retired employee or survivor of a retired employee so that
2 the retired employee or the survivor of a retired employee
3 contributes no more than an active employee who is otherwise
4 in the same class. However, at the request of retired employees
5 or the survivors of retired employees who are receiving annuity
6 benefits, the government's contributions made on behalf of
7 such retired employees or survivors of retired employees and
8 the employee contributions of such retired employees or
9 survivors of retired employees shall be paid for premiums for
10 Medicare Plan A – Hospital Insurance Coverage, Medicare Plan
11 B – Supplemental Medical Insurance, and Medicare Plan A &
12 B.”