

MINA' TRENTAI UNU NA LIHESLATURAN GUAHAN
2012 (SECOND) Regular Session

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Bill No. 499 -31 (COR)

Introduced by:

D.G. RODRIGUEZ JR. 
JUDITH T. WON PAT, Ed. D. 

AN ACT TO PROVIDE IMMEDIATE FINANCIAL RELIEF
TO THE GUAM MEMORIAL HOSPITAL AUTHORITY BY
MANDATING TIMELY PAYMENTS BY HEALTH
INSURANCE PLAN ADMINISTRATORS TO GUAM'S
ONLY CIVILIAN HOSPITAL, BY ADDING A NEW §9902.1
TO ARTICLE 9, CHAPTER 9 – [HEALTH CARE PROMPT
PAYMENT ACT OF 2000], TITLE 10, GUAM CODE
ANNOTATED.

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

2 **Section 1. Legislative Findings and Intent:** *I Liheslaturan Guåhan*
3 finds that payments to the Guam Memorial Hospital Authority, a public
4 health care provider of hospital services, by Health Plan Administrators are
5 taking an inordinate period of time, unduly resulting in financial
6 difficulties for the hospital.

7 *I Liheslaturan Guåhan* further finds it to be necessary to ensure the
8 financial viability of Guam's only civilian hospital by providing the means
9 by which it is assured prompt payment for medical services rendered to
10 the people of Guam. The historically excessive interval between the

1 submission of billings by GMHA, the additional protracted delays in
2 determining that the billing is a clean billing, and the actual receipt of
3 payment by the hospital is causing significant financial impediments to the
4 hospital's ability in paying vendors in order to achieve the timely
5 replenishment of medical resources utilized and/or expended in providing
6 health care services to the subscriber patients of Health Plan
7 Administrators.

8 *I Liheslaturan Guåhan* takes due note that as of June 25, 2012, the
9 Guam Memorial Hospital Authority has \$8.1 Million in outstanding billing
10 with Health Plan Administrators, for which approximately eighty plus
11 percent is directly due from the plan provider to the hospital, with the
12 remainder portion of twenty percent or less being due either from the
13 patient or from other party payers.

14 It is the intent of *I Liheslaturan Guåhan* to provide an equitable means
15 by which there is a timely submission of billings by the Guam Memorial
16 Hospital Authority, followed by a timely review by Health Care
17 Administrators to ensure clean billings, and to provide for the immediate
18 interim payment of a reasonable portion of the billing submitted, pending
19 the final completion of the review and resolution of any outstanding issues.

20 **Section 2.** A new §9902.1 is hereby added to Article 9 of Chapter 9,
21 Title 10, Guam Code Annotated, to read:

1 “§9902.1. (a) Notwithstanding any other provisions of this Article
2 relative to the timely submission of clean billings by the Health Care
3 Provider, and the subsequent timely review of the billings by a
4 Health Plan Administrator, the Health Plan Administrator shall
5 immediately pay within fourteen (14) days of the submission of the
6 billing, at minimum, Eighty Percent (80%) to the Guam Memorial
7 Hospital Authority for any billing initially submitted. Upon
8 completion of the billing and review process pursuant to this Article,
9 and an appropriate final amount for payment or reimbursement is
10 determined, any overpayment or underpayment shall be
11 immediately paid or returned to the party to which it is due.
12 Nothing in this Section shall hinder or impede the full application of
13 any other provision of this Article.

14 (b) If a Health Plan Administrator fails to pay within fourteen
15 days as provided pursuant to this Section, then, interest shall be
16 allowed to accrue beginning on the fourteenth day after the date of
17 the billing at a rate of twelve percent (12%) per annum as damages
18 for money owed by the Health Plan Administrator for payment.

19 (c) In order to ensure timely billings to Health Plan
20 Administrators and other payers of the hospital, the Guam Memorial
21 Hospital Authority shall, within thirty (30) days of enactment of this
22 Act, issue a Request for Proposal for its Billing & Collections

1 activity(ies). The Guam Memorial Hospital Authority shall, within
2 sixty (60) days of receipt of a responsive proposal(s) by qualified
3 offeror(s), award such contract pursuant to the government of Guam
4 procurement process. Failure to contract a private billing and
5 collection service at the Guam Memorial Hospital Authority shall
6 prohibit the hospital from enforcing subsections (a) and (b) of §9902.1
7 of this Article.

8 **Section 3. Severability.** *If any provision of this Act or its application*
9 *to any person or circumstance is found to be invalid or contrary to law,*
10 *such invalidity shall not affect other provisions or applications of this Act*
11 *which can be given effect without the invalid provisions or application,*
12 *and to this end the provisions of this Act are severable.*

13 **Section 4. Effective Date.** This Act shall become immediately
14 effective upon enactment.