

I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2010 (SECOND) Regular Session

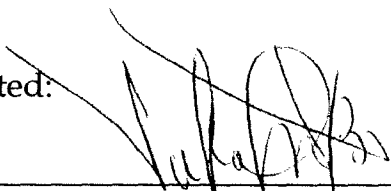
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that Bill No. 482-30 (COR), "AN ACT TO AMEND §4302(c), AND TO ADD NEW SUBSECTIONS (1), (2) AND (3), OF ARTICLE 3, CHAPTER 4 OF TITLE 4, GUAM CODE ANNOTATED; AND TO AMEND §15102 OF ARTICLE 1, CHAPTER 15, TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING AN OPEN PROCESS IN HEALTHCARE INSURANCE NEGOTIATIONS FOR EMPLOYEES AND RETIREES OF THE GOVERNMENT OF GUAM, AND TO BE KNOWN AS THE 'HEALTHCARE INSURANCE TRANSPARENCY ACT OF 2010'," was on the 22nd day of December, 2010, duly and regularly passed.



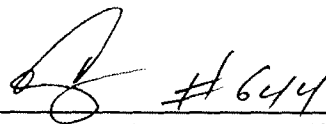
Judith T. Won Pat, Ed. D.
Speaker

Attested:



Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'lahaen Guåhan* this 23 day of Dec., 2010, at 8:02 o'clock P.M.



Assistant Staff Officer
Maga'lahaen's Office

APPROVED:

FELIX P. CAMACHO
I Maga'lahaen Guåhan

Date: _____
Public Law No. _____

I MINA'TRENTA NA LIHESLATURAN GUÁHAN
2010 (SECOND) Regular Session

Bill No. 482-30 (COR)

As amended on the Floor.

Introduced by:

Judith P. Guthertz, DPA

T. C. Ada

V. Anthony Ada

F. B. Aguon, Jr.

F. F. Blas, Jr.

E. J.B. Calvo

B. J.F. Cruz

J. V. Espaldon

T. R. Muña Barnes

Adolpho B. Palacios, Sr.

v. c. pangelinan

R. J. Respicio

Telo Taitague

Ray Tenorio

Judith T. Won Pat, Ed.D.

**AN ACT TO *AMEND* §4302(c), AND TO *ADD* NEW
SUBSECTIONS (1), (2) AND (3), OF ARTICLE 3,
CHAPTER 4 OF TITLE 4, GUAM CODE ANNOTATED;
AND TO *AMEND* §15102 OF ARTICLE 1, CHAPTER 15,
TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO
ESTABLISHING AN OPEN PROCESS IN
HEALTHCARE INSURANCE NEGOTIATIONS FOR
EMPLOYEES AND RETIREES OF THE GOVERNMENT
OF GUAM, AND TO BE KNOWN AS THE
“HEALTHCARE INSURANCE TRANSPARENCY ACT
OF 2010.”**

1

BE IT ENACTED BY THE PEOPLE OF GUAM:

1 **Section 1. Legislative Findings and Intent.** *Liheslatura Guåhan* finds
2 that annually, healthcare rates in Guam continue to rise. Over the course of the past
3 three (3) years, negotiations for health insurance services have been met by a
4 single provider. As a result of what has essentially become a “sole source” process,
5 public perception reflects a constituency that is suspect of their insurance rates and
6 coverage options. Aiding in this perception is the fact that for Fiscal Year 2010-
7 2011, the expected Government of Guam contribution will increase in the amount
8 of sixty percent (60%) when compared to the 2009-2010 coverage year, while the
9 individual consumer rates for qualified active Government of Guam employees
10 and retirees and their families will increase in some cases to an estimated two
11 hundred eighty percent (280%).

12 In order to promote a more competitive market for health insurance
13 providers, administrators, and/or health maintenance organizations, foster vigorous
14 competition in the health arena, and allay concerns of the general public that the
15 Government of Guam failed to negotiate judiciously with providers for a fair rate
16 and adequate services, *I Liheslatura Guåhan* finds it necessary to institute
17 additional policies listed in subsequent sections of this measure which shall be
18 known as the “HealthCare Insurance Transparency Act of 2010.” Additionally,
19 health insurance benefits for the 2010-2011 Government of Guam (GovGuam)
20 fiscal year will cost the government an estimated \$46 Million Dollars. Roughly
21 \$29 Million Dollars had been budgeted for such purposes. The Government of
22 Guam will be burdened with expending monies, as much as \$17 Million Dollars,
23 for an underfunded obligation, which is in direct contravention of accepted
24 program budgeting and financial management standards for GovGuam.

25 It is the intent of *I Liheslaturan Guåhan*, through the “HealthCare Insurance
26 Transparency Act of 2010”, to ensure that healthcare insurance negotiations reflect
27 the most economical and beneficial health plan that provide the requisite medical

1 care needs and services for Government of Guam employees, retirees and their
2 families. As well, through this Act, the obligation of the approved health care
3 insurance benefit *shall* be known prior to the annual “Open Enrollment” period as
4 the process is brought into the standards of conformance with the annual Budget
5 Act process of the island. Finally, this Act *shall* authorize a feasibility study
6 relative to the probability of providing a non-profit public option for Guam.

7 **Section 2. Expanded Request for Proposals, Negotiations and**
8 **Processes.**

9 §4302(c) of Article 3, Chapter 4 of Title 4, Guam Code Annotated, is hereby
10 *amended*, and new subsections (1), (2) and (3) are hereby *added* to read.

11 “(c) A Negotiating Team consisting of the Director of
12 Administration, who shall be Chairperson, the Administrator of the
13 Department of Integrated Services for Individuals with Disabilities
14 (‘DISID’), or his or her designee; the Director of the Bureau of Budget and
15 Management Research, or his or her designee; an employee representative
16 from the Judicial Branch to be appointed by the Chief Justice of the Supreme
17 Court of Guam; an employee representative from the Legislative Branch to
18 be appointed by the Speaker of *I Liheslaturan Guåhan*; the Superintendent
19 of the Department of Education, or his or her designee; the Director of the
20 Government of Guam Retirement Fund, or his or her designee; and a retiree
21 who is a member of the Government of Guam Retirement Fund to be
22 appointed by the Board of Trustees of the Government of Guam Retirement
23 Fund, and one (1) member of the general public, appointed by *I Maga’lahen*
24 *Guåhan*, shall examine the financial information of the prepaid health
25 insurance companies, health care providers or other legal entities for the
26 purpose of developing the most economical and beneficial health proposal
27 plan for Government of Guam employees and retirees. The Negotiating

1 Team may obtain technical support from other financial and health-related
2 agencies. The Negotiating Team shall develop its rules of procedure in
3 accordance with the Administrative Adjudication Law. The Negotiating
4 Team with the approval of *I Maga'lahi* is authorized to contract an actuary
5 competent to develop proposed health insurance rates or other recognized
6 expert to train and/or advise the Negotiating Team.

7 (1) The Director of the Department of Administration shall plan,
8 and implement prior to discussions for the 2011-2012 Fiscal Year, an
9 expanded competitive Request for Proposal process. The Director
10 shall announce in publications of general circulation in Guam, in top
11 publications nationally and in leading publications internationally, a
12 Request for Proposal from Health Care Insurance Providers for health
13 insurance coverage for qualified active employees and qualified
14 retirees of the government of Guam.

15 (A) Health Care Insurance Providers that respond and express
16 interest in providing coverage to qualified active employees and
17 retirees shall, if selected, maintain a bona-fide office and
18 operations base in Guam and possess a business privilege
19 license to do business in Guam.

20 (2) The negotiating team upon selection and review of the best
21 available proposals by participating healthcare respondents/providers which
22 reflect the most economical and beneficial healthcare insurance proposal
23 plan for Government of Guam employees and retirees, shall forward the
24 accepted proposals to *I Maga'lahaen Guåhan* for consideration, and to *I*
25 *LiheSlaturan Guåhan* for final approval no later than July 31, and prior to
26 the annual Legislative Sessions wherein the upcoming Fiscal Year Budget

1 for the Government of Guam is before *I Liheslaturan Guåhan* for
2 consideration;

3 (3) Within one hundred eighty (180) days of this Act, the Director
4 of the Department of Administration shall issue a Request For Proposal from
5 qualified individuals or firms to conduct a feasibility study for a non-profit
6 public healthcare care insurance option for Guam. The RFP shall call for a
7 plan that provides for a level playing field with current and future private
8 insurers, and the non-profit public healthcare care insurance option which
9 pays for care from individual premiums and copayments not of the General
10 Fund of the Government of Guam.”

11 **Section 3.** §15102 of Article 1, Chapter 15, Title 22, Guam Code
12 Annotated, is hereby *amended* to read:

13 “§15102. **Certificate of Authority.** Legitimate, bonafide on-
14 island, national or international insurance companies or reinsurance
15 companies shall not be arbitrarily excluded from participating, partnering, or
16 from being licensed to do business in Guam. Admission is secured by
17 procuring a Certificate of Authority from the Commissioner. Such certificate
18 shall not be granted until the applicant conforms to the applicable
19 requirements of this Title, and of the other laws of Guam prerequisite to its
20 issue. After a certificate is granted, the insurer shall continue to comply with
21 the requirements pertaining to it as set forth in this Title and in the other
22 laws of Guam. The issuance of the Certificate of Authority shall be
23 accomplished in a transparent fashion and shall be published in accordance
24 with applicable provisions of the Open Government Law.

25 (a) The Insurance Commissioner shall revisit annually, the
26 requirements for a Certificate of Authority for providers of Healthcare
27 Insurance Coverage, to ensure that the processes remain transparent,

1 fair and open to eligible on-island, national and international
2 Healthcare Insurance providers in order to foster vigorous competition
3 and shall amend its requirements when necessary or recommend to *I*
4 *Liheslaturan Guåhan*, changes to General Regulations and laws
5 relative to Certificates of Authority.”

6 **Section 4. Effective Date.** Notwithstanding any other provisions of law,
7 the provisions of this Act shall be effective upon enactment into law.

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