



SENATOR DENNIS G. RODRIGUEZ, JR.

May 24, 2013

2013 MAY 24 AM 11:29

Honorable Judith T. Won Pat, Ed.D.
Speaker
I Mina'Trentai Dos Na Liheslaturan Guåhan
155 Hesler Place
Hagåtña, Guam 96910

VIA: The Honorable Rory J. Respicio
Chairperson, Committee on Rules

RE: Committee Report – Bill No. 20-32 (COR), as substituted.

Dear Speaker Won Pat:

Transmitted herewith, for your consideration, is the Committee Report on Bill NO. 20-32 (COR), as Substituted, An act to establish a Healthcare Trust and Development Fund, by adding a new Chapter 97 to Title 10, Guam Code Annotated, and authorizing the expenditure of monies in the fund for the specific purpose of paying the outstanding debt payables of the Guam Memorial Hospital Authority, and establishing and funding a GMHA Urgent Healthcare Center for non-emergency patients; this act to be cited as "The GMHA Healthcare Trust and Development Act of 2013" Sponsored by Senator Dennis G Rodriguez, Jr., and referred to the Committee on Health & Human Services, Economic Development, Senior Citizens and Election Reform. Bill No. 20-32 (COR) was publicly heard on March 11, 2013.

Committee votes are as follows:

- 5 TO PASS
NOT TO PASS
ABSTAIN
4 TO REPORT OUT ONLY
1 TO PLACE IN INACTIVE FILE

Senseramente,

[Handwritten signature]

Senator Dennis G. Rodriguez, Jr.
Chairman

Attachments



SENATOR DENNIS G. RODRIGUEZ, JR.

## COMMITTEE REPORT ON

### **BILL NO. 20-32 (COR), as Substituted**

**Bill NO. 20-32 (COR), as Substituted, An act to establish a Healthcare Trust and Development Fund, by adding a new Chapter 97 to Title 10, Guam Code Annotated, and authorizing the expenditure of monies in the fund for the specific purpose of paying the outstanding debt payables of the Guam Memorial Hospital Authority, and establishing and funding a GMHA Urgent Healthcare Center for non-emergency patients; this act to be cited as “*The GMHA Healthcare Trust and Development Act of 2013*”**




SENATOR DENNIS G. RODRIGUEZ, JR.

May 24, 2013

MEMORANDUM

**To:** ALL MEMBERS  
Committee on Health & Human Services, Health Insurance Reform, Economic Development and Senior Citizens.

**From:** Senator Dennis G. Rodriguez, Jr.   
Committee Chairperson

**Subject:** Committee Report on Bill no. 20-32 (COR), as Substituted.

Transmitted herewith, for your consideration, is the **Committee Report on Committee Report on Bill NO. 20-32 (COR), as further Substituted by the committee, An act to establish a Healthcare Trust and Development Fund, by adding a new Chapter 97 to Title 10, Guam Code Annotated, and authorizing the expenditure of monies in the fund for the specific purpose of paying the outstanding debt payables of the Guam Memorial Hospital Authority, and establishing and funding a GMHA Urgent Healthcare Center for non-emergency patients; this act to be cited as "The GMHA Healthcare Trust and Development Act of 2013"**: Sponsored by Senator Dennis G. Rodriguez, Jr.

This report includes the following:

- Committee Voting Sheet
- Committee Report Narrative/Digest
- Copy of Bill No. 20-32 (COR)
- Copy of Bill No. 20-32 (COR), as Substituted
- Public Hearing Sign-in Sheet
- Copies of Submitted Testimony and Supporting Documents
- Copy of COR Referral of Bill No. 20-32 (COR)
- Notices of Public Hearing (1<sup>st</sup> and 2<sup>nd</sup>)
- Copy of the Public Hearing Agenda
- Related News Articles (Public hearing publication of public notice)

Please take the appropriate action on the attached voting sheet. Your attention to this matter is greatly appreciated. Should you have any questions or concerns, please do not hesitate to contact me.

*Si Yu'os Ma'åse'!*

Attachments



SENATOR DENNIS G. RODRIGUEZ, JR.

COMMITTEE VOTING SHEET

Bill NO. 20-32 (COR), as Substituted, An act to establish a Healthcare Trust and Development Fund, by adding a new Chapter 97 to Title 10, Guam Code Annotated, and authorizing the expenditure of monies in the fund for the specific purpose of paying the outstanding debt payables of the Guam Memorial Hospital Authority, and establishing and funding a GMHA Urgent Healthcare Center for non-emergency patients; this act to be cited as "The GMHA Healthcare Trust and Development Act of 2013": Sponsored by Senator Dennis G Rodriguez, Jr.

	SIGNATURE	TO PASS	NOT TO PASS	ABSTAIN	REPORT OUT ONLY	PLACE IN INACTIVE FILE
DENNIS G. RODRIGUEZ, Jr. Chairman		✓ 5/24/13				
V. ANTHONY ADA Vice Chairman		✓ 5/24/13				
BENJAMIN J. F. CRUZ Vice-Speaker						
TINA ROSE MUNA-BARNES Legislative Secretary		✓				
FRANK B. AGUON, Jr. 5/24/13		✓				
VICENTE C. PANGELINAN						✓
RORY J. RESPICIO		✓ 5/24/13				
ALINE A. YAMASHITA, Ph.D.					✓ 5/24/13	
THOMAS MORRISON					✓ 5/24/13	
MICHAEL LIMTIACO					✓ 5/24/13	
BRANT T. MCCREADIE						
CHRISTOPHER M. DUENAS					✓ 5/24/13	



**SENATOR DENNIS G. RODRIGUEZ, JR.**  
**COMMITTEE REPORT DIGEST**

**Bill No. 20-32 (COR), as Substituted**

- I. OVERVIEW:** The Committee on Health & Human Services, Health Insurance Reform, Economic Development and Senior Citizens conducted a public hearing on **May 23, 2013**. The hearing convened at 12:30 p.m. in I Liheslatura's Public Hearing Room. Among the items on the agenda was the consideration of **BILL NO. 20-32 (COR), as Substituted, An act to establish a Healthcare Trust and Development Fund, by adding a new Chapter 97 to Title 10, Guam Code Annotated, and authorizing the expenditure of monies in the fund for the specific purpose of paying the outstanding debt payables of the Guam Memorial Hospital Authority, and establishing and funding a GMHA Urgent Healthcare Center for non-emergency patients; this act to be cited as "The GMHA Healthcare Trust and Development Act of 2013"**: Sponsored by Senator Dennis G. Rodriguez, Jr.,

**II. Public Notice Requirements**

Notices were disseminated via hand-delivery/fax and/or email to all senators and all main media broadcasting outlets on May 16, 2013 (5-day notice), and again on May 20, 2013 (48-hour notice).

**Senators Present**

Senator Dennis G. Rodriguez, Jr.	Chairman
Senator V. Anthony Ada	Vice Chairman
Vice Speaker B.J.F. Cruz	Committee Member
Speaker Judi Won Pat	Committee Member
Senator Rory J. Respicio	Committee Member
Senator Frank B. Aguon	Committee Member
Senator Tina Muna-Barnes	Committee Member
Senator vicente pangelinan	Committee Member
Senator Aline Yamashita, Ph.D.	Committee Member
Senator Michael Limtiaco	Committee Member
Senator Christopher Duenas	Committee Member
Senator Tommy Morrison	Committee Member
Senator Michael San Nicolas	
Senator Thomas C. Ada	

The public hearing on agenda item Bill No. 20-32 (COR), as Substituted was called to order at 12:30 p.m.

**II. SUMMARY OF TESTIMONY & DISCUSSION.**

**Chairman Dennis G. Rodriguez, Jr.**, convened the Public Hearing on Bill 20-32(COR), as Substituted.



## SENATOR DENNIS G. RODRIGUEZ, JR.

### COMMITTEE REPORT DIGEST

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Senator Tommy Morrison	Committee Member
Senator Michael San Nicolas	
Senator Thomas C. Ada	

The public hearing on agenda item Bill No. 20-32 (COR), as Substituted was called to order at 12:31 p.m.

#### **II. SUMMARY OF TESTIMONY & DISCUSSION.**

**Chairman Dennis G. Rodriguez, Jr.,** convened the Public Hearing on Bill 20-32(COR), as Substituted.



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Chairman Rodriguez: [Please see attached sponsor statement]

Benita Manglona: [See Governor Eddie Calvo's written testimony]

Senator Aguon: The testimony made a lot of regard to the original content of the bill. I just need a clarification that this testimony is in support of the bill in its present form, is that correct?

Benita Manglona: Yes, that is correct.

Vice Speaker Cruz: I'm taking it as the Governor is supporting the Bill in its present form and that the Governor is supporting the use of fees and taxes on the gambling devices.

Benita Manglona: Whatever is the substituted bill presented here today, that is what I read from the Governor's message here.

Vice Speaker Cruz: I just want to make it clear that in this substituted bill, the source of funds is fees from gambling devices and its taxes that is being challenged by the Attorney General's office. Is the testimony you read today states that the Governor is supporting that practice?

Benita Manglona: It did not say here that he is supporting that practice. If it is legal, it is where the funding source comes from.

Vice Speaker Cruz: Can you get a clarification from the Governor on his position of the funding source for the bill?

Benita Manglona: I know that his statement says that he is supporting Bill 20 on its Substituted form and he is aware where the funding source is coming from.

Vice Speaker Cruz: I am just clarifying if the Governor is aware of the gambling source of the bill

Benita Manglona: It's gaming.

Vice Speaker Cruz: It's gaming, gambling. It's all the same. So, that is the position of the Governor?

Benita Manglona: That is correct.

Senator Respicio: I just want to thank Ms. Manglona for reading the Governor's statement and making it clear to point out that he was originally in support of Bill 20, as introduced and as the bill evolved to its present form, he maintains his support for this version in order to find much needed revenue for GMH.

Dr. Thoams Shieh: It appears that the new version of the bill stays the same, except for the funding source. I just heard the Governor's testimony and I feel like there are mixed messages. The message from the Governor says that he supports the QC for the health care, but then again the health care company is supported by the insurance companies. So, they are directly affecting the healthcare as

Chairman, Committee on Health & Human Services, Health Insurance Reform, Economic Development, & Senior Citizens

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well. We can't be supportive of one industry over the other because they all support our healthcare. That has to be cleared up. I keep hearing mixed messages from our government that that concerns me and many of the people here on Guam.

The issue on gaming and gambling is also a mixed message. I think, whether or not gambling is legal on Guam, those are issues that the Government of Guam needs to take a stand on. I know that it has been voted in the past, as far as gambling goes, and whether or not these machines are considered gaming or gambling devices, these are things you need to address because these are mixed messages going out to the public coming out from the Governor of Guam. That is concerning.

Regarding this particular bill, the amount of GRT says that in the last five years the GRT is gathering \$6.5 million. Are those the GRTs lost? GRT is only 4% that means the amount of income that is generated by the machines. So, I support this bill in the fact that it brings in new revenue for Guam Memorial Hospital. I don't know if I can support this bill with its funding source because there are several things here. The social aspect of gambling is very well documented. If you're going to increase the amount of machines being legal, these can expand and become out of control. If the social aspects of this revenue have a negative impact on the overall community efforts to curb gambling efforts, then why are you going to support something that is going to fund healthcare like that? It's not going to balance out.

If these are legal, and if the government of Guam accepts that gambling are legal, then these are the revenues we can tap into. But there is still a mixed message whether gambling is legal or not.

Chairman Rodriguez: Doc, I agree with you that there are inconsistencies. I know that these machines that we consider as a funding source have been in court cases. Recently, these court cases were dismissed and recently these machines have been licensed. These machines are operating legally with a duly licensed government document saying that they can operate and that is why we are going after it. Our goal is to resolve any inconsistencies so that the revenue goes directly to the hospital.

Dr. Shieh: Okay. As far as imposing additional 4% fees? That is too small. If it's legal and you're accepting that the insurance companies would have passed it on to the public, why not push it to 50% or 25%? Why 4%? That is too small to balance the negative impact of gaming or gambling. I will wait for the Attorney General to testify. As it is written, this is very unclear to the public whether these devices are legal or not, which you need to address. If it's legal, you have to tax it, and not just 4%.

Chairman Rodriguez: You're right. As of today, they have licenses so these are legal machines, as far as we are concerned.

Senator Respicio: I want to thank Dr. Shieh with his leadership and guidance in this area. There are two other initiatives which one is taking taxes of the hospital and earmark it to GMH and the second is to amend the Prompt Payment Act, which includes GMH and other health care providers. These two bills were initiatives of Dr. Shieh and members of the medical community who are waiting for a public hearing.





## SENATOR DENNIS G. RODRIGUEZ, JR.

Dr. Shieh: We keep coming back here. The Guam Memorial Hospital needs help in revenue. Before this government goes any further in giving away millions of dollars, you have to look at new services that are being brought to Guam. Those are the things we need to capture, if not we will remain in the cycle of letting all of these go which debt will continue to increase. I think the intent is good but you have to address the social aspect of it.

Chairman Rodriguez: These particular devices were in operation since 1998/1999 before it was caught up with its legal cases and recently they were licensed. We are trying to resolve that. My interest is to go after that revenue and to direct them to GMH.

Dr. Shieh: If you're going to pass this, then I will make it over 4%.

Joe Verga: I am here today to continue to advocate for the needs of the hospital with its debts. I will not discuss about the need because that has been discussed many times. I am here to highlight the sense of urgency of this matter. The serious threat of wellbeing and operations of the hospital to the people of Guam from patient care items, to the ability to maintain equipment that treats our patients, to the ability to pay our professionals that work under independent contracts and I can go on. The hospital has been running and operating at a safe level. Every day that goes by, the interest on the debt increases and it puts pressure on the hospital. Then more and more vendors will no longer do business with us because of it. This remains the biggest threat in maintaining accreditation.

Despite the fact that we did well during our accreditation, the Joint Commission is very concern that this continued lack of resources affects patient safety and operations in so many ways that at some point, there could be a negative and serious outcome to patients because of the debt. Their question to me is "Do we accredit a hospital that continue this to happen?" We had plans in the past to address this as this continues to be a problem. This is a tremendous threat and se are in a dire circumstance. The debt is the biggest threat to the well being of the people of Guam.

I am also here to highlight the OPA report and I am pleased to announce that for the first time in history, GMH has showed an increase in assets as opposed to negative in the previous years. GMH showed increased in assets due to greater collections, which is a result of the improvement we made in billings. It also indicates that GMH has an operating loss last year which was significantly lower than the past ever. The OPA report that just came in today validates the direction that we have taken GMH. Of course we still have a lot of work to do and I look forward to continuing the discussion with you all.

I am really here to plead with you and consider the need of the hospital.

Jackie Marati: My name is Jackie Arriola Maratai and I am representing Keep Guam Good to testify against Bill 20-32. My opinions do not reflect those of the views of my employer. Bill 20-32 is yet another effort to legalize illegal activity by designating proposed taxes to pay the Guam Memorial Hospital. I do not deny nor question the need, to pay such obligations of the hospital. I agree that legitimate and sustainable sources are needed. I appear before you again to speak about my



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opposition to legitimizing revenues from gambling machines that Guam's Attorney General has deemed illegal. The funding source is illegal. Bill 20-32 is simply no different from any of the five initiatives soundly defeated by Guam's voters since 20014, almost 10 year. The obvious situation here is who is this bill really for? What interests outside of Guam have a stake in expanding this industry? And how many machines need to be taxed to contribute meaningfully to the hospital's cost. The proposed solution is not problem-free and it certainly isn't pain free.

Legitimizing illegal activity increase law enforcement cost, and takes away badly needed family money which should go to shelter, health, food, education of our children. Gambling harms society's fabric. For every dollar collected, studies state that it takes addition 3 dollars for law enforcement and societal cost. Do we have the money for that? Take a good look at Saipan and Tinian and convince Guam's voters that these two islands that our future can be as good as theirs. I don't think so.

High unemployment and chronic crime have overtaken Saipan and its economy struggles have taken over their community. That is what legalizing poker machines did to that island. Tinian has the dynasty Casino, a mostly empty, dark, and inactive tavern. I don't have to reiterate of all the promise of revenues made by the owner of theses institutions, recent reports now shows the impropriety of Tinian, is this the future we want there on Guam? The source of funding for this government should be legal and, above all, sustainable.

In bill 20-32, none of these tests are made. The source of the funding is illegal and above all, unsustainable, no where this bill is is there any analysis on how many machines need to be taxed to fund the hospital. For this bill, the end does not justify the means. Ladies and gentleman, how you go about doing something is as important as what you end up doing. If you use illegal means to accomplish illegal and desirable result, such as funding the hospital, the good result does not make the bad means you used justifiable.

Why do we have to do something wrong to get the right outcome. If in the process of achieving the intended result, we end up hurting our people, increasing alarming criminal rates, crowding the packed jail, then why do we choose to knife the fabric of our society? How does that make the outcome right? Bill 20-32 is bad law. Senators of this legislature, you can and must do better. Thank you.

Ed Ilao: [Please see written testimony]

Dr. Jose Cruz: I come here most importantly as the past president for more that 24 year of the I Nala Casino. I have heard the misery of the children. I have come here to discuss the bill as presented. In the first instance on Section 1, Line 10, there is a lure in the regulations on Section 1610. I'd like for that to be elaborated because I am wondering whether that regulation is really the one that authorizes it for carnivals, fiestas. Then, it is legitimized on that line. But, how it is presently stated it is a lure for the ignorant, but not really for the learner. The lure and the devastation that we had even when



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we had poker machines and thanks to the late Senator Elizabeth Arriola who really stood up as a mother and said that it really is a problem.

Secondly, they say that it will greatly benefit the Guam Memorial Hospital, it is just revenue generated from the licensing of these gaming industry. The licensing said gaming industry, referring to the GRT that they are proposing, \$6 million that is a drop in the bucket. They have not included what licensure is really going to be there. In the earlier presentations, if the licensure is really steep, the regulations included a committee that is supposed to pay \$100,000 per five members of the casino review committee. That is half a million dollars just to keep the people operating these machines.

The problem is that these machines operate as cash. We don't have the technical expertise to work into that or review it. On Section 1, where it is really confusing, just before Section 97, there is no section but it says §7114 about the regulatory licensing of the Revenue and Taxation. What that follows is there is supposed to be income tax, gross receipt tax, and a new 4%. The first part is a follow through to divert that this is really good and everything that follows is like a dagger.

My question is, is this new 4% that is really issued for regular GRT is not clear. Further, if we talk about medical care, I really want to push social care. We have just as much responsibility in social care as medical care. Sometimes the social care is more important because that's where we have the people who control and really address the medical care. That is one of the many things that we really have to address. I actually push that as one of the problems. On Article 1, Chapter 97, the licenses fees are referred to what these machines are: Liberty, Symbolix, and Match Play. We have just gone through a hearing when they are trying to legalize bingo machines, which are faster than fast. It seems as if the machines have already decided that you've already lost. It's really for a culture that is very dependent.

This says that we relay care for you. I say, be mindful of the social care. I would like to push for the social care. The medical care has come a long way. In line 22, §97012 (c), okay nice. I'd like to really know what was set forth in that one in regard to carnivals, the bingos, the fiestas, then it really does not further clarify that. By the time they figure it out after it is signed into law, this will come into force. The chicanery and the pecadias that is presented to the people of Guam to really accept. I say No, No, No!

Social care has got to be raised up. If you raise up social care, medical care will come a long way. Please do not just think of medical care. Social care is very important and is a priority because others will follow. Thank you very much.

I am against this bill because of the chicanery and pecadias it has introduced to Guam.

Vice Speaker: Mr. Chairman, I want it to be understood that I want to support GMH but I also believe that GMH should try to do whatever it can to support itself. My question, Mr. Verga, is that since you came in August, what have your collection efforts been like?



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Mr. Verga: Senator, as you know was here at least twice in the last six months to put forward the collection improvements that we've made in GMH to this body. The report from OPA is pretty indicative right now. It says that the increase in operating revenue is mainly attributed to improve collections to increase net patient revues by 14.9 million..

Vice Speaker Cruz: What fiscal year is that?

Mr. Verga: fiscal year 2012.

Vice Speaker Cruz: Okay. Let's go to fiscal year 2013, I went to the GMH website while everybody was speaking. I went to your collections division. Are you aware of what is happening in your collections division?

Mr. Verga: Yes, I am. What are you referring to?

Vice Speaker Cruz: In September, at the end of the fiscal year, there was one vacancy in that division, which was position 8038. In October, the beginning of this fiscal year, 8024, 8038, 8049 and 8051 went vacant. In November, position 8024, 8038, 8049, and 8051 remain vacant which are Account Technician I, Account Technician II, and two collection agents. In December, 8024, 8038, 8049, 8051 remain vacant. In January, 8024, 8038, 8049, 8051 still remain vacant. In February, 8024, 8038, 8049, 8051 remain vacant. In March, 8038 was filled, 8024, 8049, 8051 remains vacant. As of this month, it is the same thing 8024, 8049, and 8051 still remain vacant.

That's seven months that there have been these vacancies. It would seem to me that in order to be able to generate and collect, I am not going to blame you for the collection efforts that failed before you got there. The RFPs went out. I am talking about since you took over in August. This is the place that collects the money and I am just wondering why these positions remain vacant for a full half year.

Mr. Verga: Well, there is a simple explanation to that. I started; one of my priorities was to bring a Chief Financial Officer on board. The fiscal division has been running with acting heads and has been working with permanent leadership for a long time. My first three months, I made that my priority to oversee the fiscal division. The first several months, I spent them in trying to figure out where the gaps are. Alan came on board in December of last year. In the mean time, we began to try to improve various aspects in our collections division. First of all, I would love to fill all those vacancies. None of them were funded because they were defunded from last year's budget. So, because of our fiscal situation this year, will be over 10 million deficit, I would love to fill those vacancies. Because none of these vacancies were funded in the last budget, we have had to be very judicious in filling vacancies.

Vice Speaker Cruz: They were filled at the beginning of the fiscal year. I know that, with all due respect to the other positions, you're fully staffed in your security guards, your HR division, I just keep trying to figure out that in all of the divisions you need staff in trying to find money, you are going to fill the collections division to collect all the monies necessary so you can continue the operations going. Those positions were filled in September. 8024 has a person in it, 8049 and 8051 and they were filled all through last year. These positions remain vacant for the last seven months.

Chairman, Committee on Health & Human Services, Health Insurance Reform, Economic Development, & Senior Citizens

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All I am trying to point out is that if you want to get money, you have to have people that are going to collect it. If you're not going to have those people, then of course you are going to come up short.

Mr. Verga: I would love to fill the vacancies, especially in collections, which is not true, by the way. I agree that we need to direct the resources where they are needed. At this point, because of the nature of the financial condition of the hospital, I have had to be judicious in filling vacancies. First of all, it is incorrect that we are fully staffed...

Vice Speaker Cruz: All I'm saying is that I looked at the divisions. Maybe if the HR division is short, you might not be able to find people too and I've been getting calls that I am killing babies because I wouldn't pass bill 45 out of the committee. You're wanting to fill positions, you sent out a list of positions, and I said maybe the HR division isn't fully staffed. I looked, there are 8, and it is fully staffed. On security guards, 21, fully staffed, there is one vacancy. The place where I looked, and thankfully your website make it easier for me to follow it.

Mr. Verga: the vacancies were taken out because they weren't funded...

Vice Speaker Cruz: What I am talking about is that these four vacancies that have four people I them, when you arrived, and now are vacant, are still on there. If they weren't fully staffed, then how come 8038 was filled?

Mr. Verga: Senator, we really are not disagreeing here. I would love to fill in those positions to help us increase those collections.

Vice Speaker Cruz: I just want these employees to understand that it is not that I am opposed to fund your operation. What I want them to fully understand is that if you are trying to collect, then fully staff your collections staff. Your program coordinators, your PRs were hired and rehired. I went through them and I discovered them.

Mr. Verga: if these were funded, I would be happy to fill these positions.

Vice Speaker Cruz: I am telling you, they were funded because they were filled.

Senator San Nicolas: with respect to the new hospital opening up, how much more shortfall are we going to have after that? Best case and worst case scenario because now we see all these payables and we do need to capitalize them. As a policy maker, I need to understand how much we need to continue the current operations and I need to understand when this competitor emerges? When we start setting taxes on any kind of business activity, or anything that will have an impact here on Guam. Without fully understanding how much money we need, I feel irresponsible appropriating money without knowing exactly what the end is. I ask this question because I support GMH and I want to make sure that the amount we are going to give you guys is going to help that mission. So, if I can get those answers, I will be more comfortable in supporting generated revenues to allocate to GMH but without that, all I'm seeing is red ink and no light at the end of the tunnel. So, if I can request those again, I need those.



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Mr. Verga: I will try to get all the information you need. The short answer to your question is that there will never be an end to the cross cutting of finding mechanism of the hospital. That is an ongoing journey for any hospital. I can tell you that in 6 months, we will done all our initiatives and this as efficient as we can get. Therefore, from here on and, we will need X. I can tell you what we've done so far and the results. I can say we are not out of the woods but we will continue to achieve efficiencies in both cutting expenses and our billing collections and operations will continue. That is a difficult thing to answer. I cannot give you a real timeline that says at the end of this point I am done with this. This is an ongoing basis. These are the discussions I am looking forward to having in our budget hearings.

The budget that we presented to the legislature minus the 20 million. If you minus the 20 million, that is what the hospital needs to sustain the accredited safe hospital to maintain the level of services we provide now and sustain it. It is a balance budget that will fund the needs of the hospital. Again, without getting into a debate about the funding of our hospital. I am looking forward to having this discussion with you. That is the short answer to the first question.

With the second question with regards to the new hospital, I can give you worst case scenario. 30% of our revenue comes from private sources. About 30% of our revenue comes from the various insurance companies. If you want to play doomsday, worst case scenario, we lose 30% of our revenue, which I don't think is going to be the case. I think it's going to be difficult to predict what revenue we are going to lose because the new hospital will not be able to sustain itself solely on private revenue. They are going to have to treat patients with Medicaid and Medicare and MIP and self pays just like we do. They are not going to be able to sustain themselves solely based private. This is difficult to gauge. If you want to play doomsday, you can say all the privatization will go to the new hospital and GMH will end up with all the self-pays and public payers, so to speak. Then, you can estimate about 30% of our total revenue.

Senator San Nicolas: I appreciate you providing me answers. In any turnaround situations, if you look at private sector, when the company tries to turn around, they don't just say how much it is going to cost because it is never going to end. This point, this is where we expect the maximum amount of efficiency used to be in place and this amount of money they will be generating. In this case, this might be all the amount of money that we are going to be short. It is so important for us to understand that so we can make up for all the shortfalls. That is the first item.

On the new hospital, I don't think we need to play doomsday scenario. I think we need to address it. We need to know what the worst case is going to be and how much money it is going to require. More importantly, we need to understand that this is the worst case scenario, these are the provisions that the hospital is going to take, and we will try to mitigate that. For us to be having a legislation that says this is an obligation that keeps saying we need more money, for me, I need to understand exactly how much and what the target is requested that in the hearing two months ago and you're CFO gave me the answer that it is difficult. Of course it is difficult, but it is also doable to be able to make us understand how much money we need to keep GMH running.

Mr. Verga: I will get you the numbers you are asking. If you are asking what the numbers are today, we have an answer for that. However, if you're asking about the debt of the hospital, that has been



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there for a long time. I think right now we are talking about the funding issue and we will get you the information that you need to the best of our ability.

Senator San Nicolas: the amount that we need to generate is more than the amount of 4% that is being proposed here. We need to understand what rate of tax is needed to be appropriated, we cannot just say 4% and we're good to go. If it needs to be higher, we need to understand the real amount of dollars we need and what we are going to be assessing as a fee or tax on these devices.

Senator Morrison: I know you have launched the amnesty program. When does that expire?

Mr. Verga: June 24

Senator Morrison: what is the status?

Mr. Verga: As of May, we collected close to \$115,000 on the program, which is only three weeks to the program. We didn't know who would take advantage of the program when we implemented it. We plan to aggressively advertise and encourage people to take advantage of the program. One of the other programs we plan to implement is for self pay individuals that will pay promptly and offer them something like 20%. We still continue to discuss this further.

Chuck Tanner: [Please see written testimony]

Chairman Rodriguez: I just want to share with the public that it is through my discussions with chuck that we went this far with the establishment of the Urgent Care.

Senator pangelinan: did you by any chance take a look at the Department of Public Health and Social Services analysis of developing urgent care services out of the community health center?

Chuck Tanner: it was a while ago, I was a proponent for public health. No one goes to public health for the ER. Just as a citizen, I've been in the ER with my family and I've sat there. What is the health care executive do? They watch kids and they wait three hours. They don't need to have an ear infection to sit in the ER, if you have an urgent care, you can be in and out.

ER co-pay is pretty high for something so minor. If you have an urgent care, you can collect money. I would not go with the public health answer.

Senator pangelinan: the reason why you want an urgent care is to get the cost structure out of a hospital based cost structure and if you put the urgent care at the hospital, doesn't that subject you to the same cost structure? Is it going to support the hospital or is it going to be totally independent?

Chuck Tanner: You can do it many ways. One you can contract it out, which is not unheard of. In think it might be better for the people of Guam. I think it might be cheaper, and that is really my whole goal.



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Senator pangelinan: I know the doctors have tried it. I agree with you that we have to divert the non-emergency care to providing it with emergency based cost structure will be helpful. We're saying we are going to put a working group here and see whatever they decide and we will still go forward with it. I am just not sure if we should just mandate it to law that we shall mandate it, we shall put it to law, and they would go ahead and do something else anyway, with the way the bill is written, I am concern with that.

Chuck Tanner: I am naïve. I don't know if you need legislation to do this, maybe you just need the Board of Directors at GMH to do it. Unfortunately, they haven't and it's not just this Board because they haven't had it for a while. My whole advocacy is lower cost for the people of Guam.

Frank Aguon: I just want to follow up on one of your statements. I have yet to see the report from the Department of Public Health. When I first entered the legislature, this was brought up by the former senator Lou Leon Guerrero, who was a very strong proponent in utilizing the community centers to use the services provided by GMH and establish it as urgent care centers. Based on her initial analysis, it would have made sense to have many of our community members could go to community health centers. I understand why people would want to go to the emergency room but there will be a transition in the mindset of our community. If it not an emergency and you can depend on your community health centers and that they will be able to divert themselves. I don't know where that is right now but I certainly agree that there is a need for an urgent care facility so they can tend to non-emergent cases.

Chuck Tanner: You need a triage and you need the hospital there too because what if it is an emergency. I worked at FHP and we had instances where we needed to transport patients. People don't know whether it should be at the urgent care or at the ER so you would want to look at the cost of that as well. I think it is more optimal and cost effective to have it at the hospital.

Vice Speaker Cruz: Just a request for the chairman. If you could request Mr. Verga to provide us with documents from the hospital that shows us that the positions are unfunded by the Board. In the Board, we usually unfund the vacancies.

Randall Cunliffe: I have sat on that side of the microphone before. I appreciate what you are doing in this legislation. This situation of the government has now and has been as far as I can remember since I returned from law school in 1977 is pretty much disastrous. We went through a time in the 80s where we had an excess of funds and the government budget went from \$300 million to \$700 million and then we couldn't handle that anymore because the money has gone down. There are numerous ways that a government can raise income. None of them are really fun. We can raise taxes, we did that in 2007 legislature to stop the government to going into bankruptcy and people wanted our heads. I understand the position. You can try to raise fees for certain things, you can try to raise cost of certain things. We put a \$30 fee for picking up our trash and now I talk to the Mayors and they tell me that the trash piles are getting worse and worse because people won't pay the \$30, so they just throw their trash.

So, I heard the Vice Speaker this morning and a few days ago on the radio talking about trash down south and the cost of it is not understood and how it was entered into the Consent Decree. I said, wait

Chairman, Committee on Health & Human Services, Health Insurance Reform, Economic Development, & Senior Citizens

*Ufistinan Todu Guam • I Mina' Trenta Dos Na Libeslaturan Guahan • 32<sup>nd</sup> Guam Legislature*

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a minute, why don't you guys do something because you control the money. How can the government consent to something when the legislature does not consent to give the money? Now it's costing tremendously more than anybody said it would cost. I understand the people who come in here who are opposed to Liberty machines. There are things that I am opposed to. I'm opposed to people running red lights but the police don't go issue them tickets and stop them from doing it. There's a source of income and we can probably make millions of dollars if we could just enforce the traffic laws in the island, but they don't. There are things that I don't like all the time. We all have issues. The government needs new sources of revenue. In 2002, the Department of Revenue and Taxation turned over the Rules and Regulations that are now part of the GCA, they put in the language that made these machines legal. The situation as such they did because they knew that the revenues would help the government raise monies to pay all of the various things that they need. How long has it been since we got our income tax returns in a reasonable time frame? I am one of the people who say 'Governor, keep my tax return because it is the best TCD you can get now, 6% interest, but most of the people are not in a position where they are able to leave their money there.

Situation as such of what the Vice Speaker said this morning where people were banking on the military build-up and it didn't come. I think the Vice Speaker said about \$15 million is going to be due on the first bond payments. Now, where do we take that money from? If you do not have new generated streams of revenue, where are you going to get that money from? Are you going to take it from the prison? People are talking about having overcrowded prisons. We have too many prisoners and few guards, where people are working overtime and are put in stressful positions. Same thing with the Police Department, we do not have enough police vehicles, police officers, we have so many areas we can use this money throughout the government. Mental Health has been under a receivership because it has not been under a proper administration in forever. We've gotten it back but it infused a lot of money that had to come from someplace else. We cannot borrow ourselves into breaking even. You have to pay that money back. If you don't have a revenue stream, you're going to have to raise taxes.

I don't think any of you want to go through what with the five senators in the podium right now did in the 27<sup>th</sup> Guam Legislature. It was not fun. I can tell you that it was not a problem I had to spend a lot of time thinking about because I was not a career politician. I am a lawyer and I knew I was going to go back in being a lawyer. If the people didn't like me, it didn't really matter but you as senators go out there to get re-elected. So, you want to do things that will make people happy. Some of you choose avenues to move forward. Senator Duenas has been pushing with DYA where he used to be aggressive and seeing court programs and taking care of juveniles, taking care of drug problems but the legislature has not done it. The court has done it. Drug court is done by the court, not the legislature. That money comes from the federal government and we treat people who have addictions and they get taken care of and try to get them back in the society.

We are very limited population in size. If you lose your job in Agana, you're not going to Los Angeles to find a job. You don't have the money to relocate your family and everything else. What else happens? Well, we have so many people now who have drug problems who get convictions, have a record who cannot get a job because they have a felony conviction. So, what are they going to do? People say you're going to do this to get money; you're going to do that to get money. People who are hurting who need more money and if the money doesn't go to the hospital, maybe Mr.



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Verga is able to get more people to get more collections and Vice Speaker can say they don't need this money. Certainly, there are other places in this government that will need this money. It's not going away; you're not going to be able to balance a budget in this government probably for the next 25 years.

In the late 90s, the budget was almost balanced; we almost got rid of the deficit. Since then, we almost went downhill. The economy is not getting any better. So, at some point, you have to have some way to generate income. These machines have been in operation for many many many years, the 3-400 machines we are talking about. People talk about gambling in Saipan. Saipan's problem is not gambling. Saipan's problem is that they brought in a lot of garment industries, low paid workers, and other things. Then, when their bubble burst, they couldn't do anything. I would ask you to very seriously consider passing this legislation.

The number of machines is limited. The income will be there and I do not know the income specifically addressed in the bill, but I don't think it includes the number of people who are now unemployed right now, who the government is paying for because of food stamps and other assistance. Those are the ones who are getting free treatment at the hospital. They go back to work, they get into the tax base and you get more taxable income. They go in to the store and buying goods. Those stores are then paying more money for GRT and it helps the economy to some extent and it helps the people to do these things. Those are the people who really need it. It's the ones with lower wage jobs that need them. They need to help their families; they want to help their families.

If the guys go to work in the morning and comes home in the evening, his kids see that and there's an idea that it's something good. When the father is sitting home, smoking ice because he can't get a job, what's the kid going to be like? Is he going to have a future? These businesses employ people and we see the largest infusion of government in a long time. I just ask you to very seriously consider this source of funding to take care of what has been the biggest problem. Mr. Verga was asked a question by Senator San Nicolas about the new hospital. GMH used to be by the circle and the hospital that is now known as GMH used to be the Medical Center of the Marianas, owed by the Catholic Diocese but it couldn't make money, it couldn't sustain itself. So, it went out of business and the government bought the facility and moved into that facility. Why? because that facility was horrible. GMH has improved. Water would come in the area because it was not properly closed off. They are not doing construction to increase the size of the emergency room because as Mr. Tanner said, it's crazy in there. I've been in there. The hospital days I've ever had were in GMH and it was interesting. I urge you to consider bringing a new source of income so we can try to turn around a little bit the hospital's financial difficulties. Thank you.

Mr. Verga: I would like to stand corrected by the Vice Speaker. The three positions he was referring to were funded and I was under the impression of them being unfunded and I will seek to fill them, although it is difficult, given the financial conditions of the hospital. I stand corrected.

Senator Pangelinan: Mr. Verga, we are asking that we are mandating an urgent care at the hospital any details on this? Can I know what you're going to do and how you're going to do it? Is there a plan? Can you send us a written plan?



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Mr. Verga: we haven't had a written plan yet. We were still discussing this and we can certainly put one together. The cost of an urgent care will be less than sending them to the emergency room.

Chairman Rodriguez: Joe, I will try to answer these questions in the floor to the best that I could for the other senators. Senator Respicio mentioned that we can mandate the establishment of the urgent care and you can provide the planning which can then be approved by the legislature. That is something we will work closely with you about.

In the initial bill, says the intent which is if it's feasible and if it's viable.

### III. FINDINGS AND RECOMMENDATIONS

The Committee on Health & Human Services, Health Insurance Reform, Economic Development and Senior Citizens, hereby **reports out Bill No. 20-32 (COR), as Substituted** with the recommendation to

report out only.

**MINA' TRENTAI DOS NA LIHESLATURAN GUAHAN  
2013 (FIRST) Regular Session**

Bill No. 20-32 (COR)

Introduced by:

**D.G. RODRIGUEZ, JR.** 

2013 JAN

PM 1:19



**AN ACT TO ESTABLISH A HEALTHCARE TRUST AND DEVELOPMENT FUND, BY ADDING A NEW CHAPTER 97 TO TITLE 10, GUAM CODE ANNOTATED, AND AUTHORIZING THE EXPENDITURE OF MONIES IN THE FUND BY PUBLIC HEALTH CARE PROVIDERS FOR SPECIFIC PURPOSES PERTAINING TO EXTINGUISHING THE OUTSTANDING DEBT PAYABLES OF THE GUAM MEMORIAL HOSPITAL AUTHORITY, AND PROVIDE EXPANDED HEALTHCARE SERVICES BY ESTABLISHING AND FUNDING A GMHA PRIMARY HEALTHCARE OR URGENT HEALTHCARE CENTER FOR NON-EMERGENT PATIENTS; THIS ACT TO BE CITED AS “THE GMHA HEALTHCARE TRUST AND DEVELOPMENT ACT OF 2013.”**

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

**Section 1. Legislative Findings and Intent:** *I Liheslaturan Guåhan* finds that the public health care institutions and approved non-governmental organizations providing healthcare services are seriously underfunded. This has led to continual shortages in supplies, pharmaceuticals and staff. It has, as well, led to the increasing loss of house doctors willing to provide medical services at the Guam Memorial Hospital due to nonpayment. The full scope and negative impact of the Guam Memorial Hospital Authority’s outstanding debts, in excess of \$23,000,000 dollars, came to light during the *Joint Status Hearing* conducted by the Committee on Health & Human Services and the Committee on Finance, on April 18, 2012. *I Liheslaturan Guåhan* further finds that in 2012, the federally approved discount provider for medical supplies intercepted approximately

1 \$500,000.00 (taken from Medicare reimbursements through the U.S. Treasury),  
2 and is currently threatening to garnish additional funds.

3 *I Liheslaturan Guåhan* further finds that there were \$174,457,564.00 (2007),  
4 \$184,148,347.00 (2008), \$190,191,200.00 (2009), \$202,328,780.00 (2010),  
5 \$231,611,664.00 (2011), and \$181,990,405.00 (as of 3<sup>rd</sup> quarter -Sept. 2012) in  
6 health insurance premiums written by domestic, Guam based, health care insurance  
7 providers and health maintenance organizations (**\$1,164,727,183.00** (2007 ~ 2012  
8 (as of 3<sup>rd</sup> quarter). Further, there is an additional annual average of over  
9 \$2,605,262.00 in health insurance premiums written by non-domestic health  
10 insurance providers (2007 ~ 3<sup>rd</sup> quarter 2011 only). This is a rising combined  
11 annual aggregate average of over **\$194,555,537.00** (w/o 2012 4<sup>th</sup> quarter) being  
12 paid in health care insurance premiums, with an aggregate total of  
13 **\$1,167,333,222.00** in health insurance premiums paid over the past six years;  
14 without domestic healthcare administrators having to pay a 4% Business Privilege  
15 Tax, and limited taxation on non-domestic providers. Put another way, in lieu of a  
16 4% Business Privilege Tax not being applied, the aggregate sum of **\$1.1 Billion**  
17 (over the period: 2007 ~ 3<sup>rd</sup> quarter Sept. 2012) equates to approximately **\$46.7**  
18 **Million** in tax revenues not being realized by the government. Further, Domestic  
19 Health Insurers continue to hold Qualifying Certificates and a Grant of Benefit  
20 [pursuant to §§58105.6, 58128.4, QC Law] for ONE HUNDRED PERCENT  
21 (100%) rebates for Income Tax [§58128.4(a), QC Law], Income Tax on Dividends  
22 [§§58130, 58128.4(b), QC Law], and Abatement of Gross Receipt Taxes on  
23 Premiums [§58127.5, QC Law], pursuant to which they continue to enjoy  
24 significant tax relief.

25 *I Liheslaturan Guåhan* takes due note that with the implementation of  
26 issuing Qualifying Certificates to health care insurance providers, as well as the

1 Captive Insurance Program pursuant to Chapter 23, Title 22, Guam Code  
2 Annotated, that the premiums for health care insurance are tax free. This has  
3 reduced the tax revenue to the government which is in need of funds for the  
4 provision of public health care services for the people of Guam.

5 *I Liheslaturan Guåhan* takes note of the fact that when the healthcare  
6 insurance industry utilized the benefits of the available qualifying certificates and  
7 the captive insurance program, they realized a significant financial windfall.  
8 However, *I Liheslaturan Guåhan* also takes due note that there were no  
9 commensurate reductions in the cost of insurance premiums passed on to  
10 consumers. Further, *I Liheslaturan Guåhan* gives due consideration that of the  
11 four domestic healthcare insurance companies, they collectively maintained a  
12 significant book-of-business, allowing them for many years to make substantial  
13 profits, regardless of whether or not they paid out Medical Loss Ratio rebates to  
14 their subscribers, and therefore, should not now be overly burdened or impacted by  
15 the application of a four percent (4%) fee upon health care insurance premiums for  
16 the purpose of establishing a 'GMHA Healthcare Trust and Development Fund',  
17 which would be utilized for the public's benefit by way of improving and  
18 supporting the government provision of health care services. Their years of  
19 exemptions from the business privilege tax have already served its stated purpose  
20 of bolstering their businesses, but unfortunately, without a reciprocal  
21 corresponding effort by them to reduce costs to their subscribers. Further, and  
22 notwithstanding the issues of tax abatements, in 2012, that at least two Guam based  
23 HMO's issued over Fourteen Million Dollars (\$14,000,000.00+) in medical loss  
24 ratio refunds to subscribers; while another issued corporate dividends, also, in the  
25 amount of approximately \$14 Million dollars.

1           It is the intent of *I Liheslaturan Guåhan* to assess a four percent (4%) fee  
2 upon all health care insurance premiums for the purpose of establishing a ‘GMHA  
3 Healthcare Trust and Development Fund’, apart and separate from all other funds  
4 and accounts of the government of Guam to facilitate and supplement the  
5 development and maintenance of public health care services. This has the potential  
6 to annually generate approximately **\$8.5 Million** (with projected 2012 4<sup>th</sup> quarter -  
7 \$20M+) in revenue for the GMHA HealthCare Trust and Development Fund for  
8 expenditure on the development and provision of hospital healthcare services for  
9 the people of Guam.

10           In the expenditure of GMHA HealthCare Trust and Development Fund  
11 monies, it is the intent of *I Liheslaturan Guåhan* that the first priority in the  
12 expenditure of Fund monies, should be to extinguish the existing \$22,000,000.00  
13 plus in outstanding debt payables of the Guam Memorial Hospital Authority, as per  
14 Exhibit “A” appended to this Act, to GMHA House Doctors, healthcare service  
15 providers, pharmaceutical suppliers, and all other vendor payables, in its entirety,  
16 by way of a line of credit, a revolving loan fund, and/or a direct loan agreement,  
17 secured and paid with a funding commitment from the Fund.

18           *I Liheslaturan Guåhan* finds that a disproportionately high percentage of  
19 services being provided by the Guam Memorial Hospital Authority emergency  
20 room are dedicated to non-emergency medical services, as compared to normal,  
21 dedicated emergency room services. Further, these non-emergency medical  
22 services are more costly to provide within the setting of an emergency room, and  
23 should more appropriately be available through a private medical clinic, or, by way  
24 of an *Urgent Care Center*. *I Liheslaturan Guåhan* takes due note of the GMHA  
25 report on emergency room utilization for the year 2010, during which the 19,291  
26 non-emergent cases exceeded the 8,785 actual emergency cases. Of the \$28.7

1 Million in costs of going to the emergency room for 2010, 68.5% or \$19.6 Million  
2 was for non-emergent cases.

3 *I Liheslaturan Guåhan* further finds that whereas the government of Guam is  
4 mandated pursuant to the Organic Act of Guam to provide medical care services  
5 for the people of Guam, regardless of a patient's ability to pay or availability of  
6 medical insurance coverage. The cost of providing the requisite medical services  
7 can be reduced by establishing an urgent care center to address the non-emergency  
8 medical needs of patients currently availing themselves of GMHA emergency  
9 room services and resources. It is the *intent* of *I Liheslaturan Guåhan* to mandate  
10 the establishment and operation of either a Primary Healthcare or Urgent  
11 Healthcare medical services within the GMHA facility, and thereby, reduce the  
12 hospitals cost of operations for non-emergent medical services.

13 *I Liheslaturan Guåhan* finds that GMHA continues to lack a viable, efficient  
14 pharmaceutical utilization and treatment tracking computer system (and software)  
15 for billing and collection purposes. Notwithstanding grand pronouncements early  
16 in 2011 by the new GMHA administration and Board of Trustees of turning  
17 GMHA's financial management shortfalls, deficiencies' and inefficiencies' around,  
18 thereby placing the hospital on a sound financial footing, just the opposite occurred  
19 and GMHA experienced a worsening performance being reported for collections  
20 and financial management, as per the Office of Public Accountability, and the  
21 Independent Auditor's Report for years 2010 /2011, by Deloitte & Touch, LLP,  
22 dated March 23, 2012.

23 Therefore, it is, further, the *intent* of *I Liheslaturan Guåhan* to ensure that a  
24 repetition of escalating indebtedness and cash shortfalls does not reoccur, as was  
25 the case after GMHA borrowed \$12,000,000 pursuant to § 80109(s) of Chapter 80,



1 Title 10, Guam Code Annotated (P.L. 30-200:2 (enacted Dec. 09, 2010), for the  
2 purpose of establishing a line of credit, a revolving loan fund, and/or a direct line  
3 of credit to be used by the Authority when a cash shortage threatens the operations  
4 of the Hospital.

5 As a *prerequisite condition* of GMHA’s authorization to utilize the funds  
6 provided pursuant to Section 2 of this Act relative to extinguishing GMHA’s  
7 indebtedness’, it is the *intent of I Liheslaturan Guåhan* that GMHA *shall* first  
8 establish a viable, efficient pharmaceutical utilization and treatment tracking  
9 computer system, as well as other needed management tools, for billing and  
10 collection, procurement, and other similar purposes pertaining to the efficient  
11 management and operation of GMHA, as provided for and funded pursuant to  
12 Section 2 of this Act (a new 10 GCA § 97104. Establishment of GMHA  
13 Management Reform Practices and Policies, as a Mandatory Prerequisite to the  
14 Implementation of §97103(a) Allocations and Use of Funds). Further, *I*  
15 *Liheslaturan Guåhan* finds it crucial that GMHA’s plan of action include the  
16 establishment of new revenue generating specialty medical services.

17 **Section 2.** A new Chapter 97, is hereby added to Title 10, Guam Code  
18 Annotated, to read:

19 **“CHAPTER 97**

20 **ARTICLE 1**

21 **GMHA HEALTHCARE TRUST AND DEVELOPMENT FUND**

22 § 97101. Short Title.

23 § 97102. Guam HealthCare Trust and Development Fund.

24 § 97103. Use of Funds for the Development and Support of Health Care Services  
25 Programs and Facilities.

1 § 97104. Submission of Detailed Report of Expenditures on a Quarterly Basis.

2 § 97101. **Short Title.** This Act may be cited as “*The GMHA Healthcare Trust*  
3 *and Development Act of 2013.*”

4 § 97102. **Guam Healthcare Trust and Development Fund.**

5 (a) There is hereby created, separate and apart from other funds and  
6 accounts of the government of Guam, a fund known as the *GMHA Healthcare*  
7 *Trust and Development Fund* (*Fund*). The Fund shall not be commingled with the  
8 General Fund or any other fund or account of the government of Guam, and shall  
9 be kept in a separate bank account, subject to legislative appropriation as provided  
10 pursuant to this Chapter, to be used by the designated public healthcare agencies of  
11 the government of Guam for the purposes authorized. The Fund, to include any  
12 monies in the Fund dedicated and dispersed for purposes specified in this Act,  
13 *shall not* be subject to the transfer authority of *I Maga’lahan Guåhan*.

14 (b) The Fund shall be financed by the collection of a four percent (4%)  
15 assessment fee on all healthcare insurance premiums paid in Guam for the  
16 coverage of company employees and their dependents’, or individuals. Such fees  
17 shall be collected from the healthcare insurance companies providing such  
18 coverage on Guam.

19 (c) For purposes of this section, *healthcare insurance* is defined as health  
20 insurance against sickness or injury of persons or companies employees, with the  
21 insured being engaged in activities within Guam, such activities being included in  
22 the definition of *healthcare insurance provider* or *health maintenance organization*  
23 (HMO) defined in Title 11, Guam Code Annotated.

1 (d) The Department of Revenue and Taxation (the *Department*) shall collect  
2 such fees and transmit them to the Treasurer of Guam for deposit in the Fund. The  
3 Department shall:

4 (i) Develop the necessary forms and instructions to be sent to all insurance  
5 companies issuing healthcare insurance. Such forms and instructions shall  
6 direct these insurance companies to pay the four percent (4%) assessment as  
7 a condition of continuing to do business of Guam;

8 (ii) Act as the repository for the Fund for use as authorized pursuant to this  
9 Article in carrying out the purpose of the Fund.

10 (e) The Department of Administration shall be the disbursing and certifying  
11 officer for the Fund, and shall comply with the provisions of Chapter 14 of Title  
12 46, Guam Code Annotated. The Director of Administration shall maintain  
13 appropriate records of the Fund and shall provide accounting and auditing services  
14 for the Fund.

15 (i) The Department of Administration *shall* disperse funds in a manner  
16 compliant with §97105 of this Chapter.

17 **§ 97103. Allocations and Use of Funds; Authorized.**

18 (a) Up to Sixty-two Percent (62%), but not to exceed Five Million Dollars  
19 (\$5,000,000.00), whichever is less, of the funds in the GMHA Healthcare Trust  
20 and Development Fund shall be utilized by the Guam Memorial Hospital Authority  
21 to obtain a line of credit, a revolving loan fund, and/or a direct loan agreement to  
22 retire their outstanding prior year debt to GMHA House Doctors, healthcare  
23 service providers, pharmaceutical suppliers, vendors, and all other payables, as per  
24 Exhibit “A” appended to this Act; and for that specific purpose, the SUM of FIVE

1 MILLION DOLLARS (\$5,000,000.00) of the fees collected pursuant to this  
2 Article shall be annually allocated and is hereby APPROPRIATED, and SHALL  
3 CONTINUE TO BE DEEMED APPROPRIATED, ANNUALLY, to the Guam  
4 Memorial Hospital Authority for the sole and specific purpose of paying the debt  
5 service for the line of credit, revolving loan fund, and/or a direct loan agreement to  
6 retire their outstanding prior year debt obligations.

7 The annual allocation of Five Million Dollars (\$5,000,000.00), as  
8 appropriated pursuant to this Subsection (a), shall continue and shall remain in full  
9 force and effect until specifically revoked or amended pursuant to law. As fees are  
10 received and deposited into the Fund, a pro-rata share of available funds shall  
11 subsequently be transferred to the Guam Memorial Hospital Authority.

12 The Guam Memorial Hospital Authority shall establish a bank account apart  
13 and separate from all other bank accounts of GMHA and the government of Guam,  
14 and *shall* deposit all funds allocated and appropriated pursuant to this Subsection  
15 into the account, and from which such funds shall only be drawn upon for the sole  
16 and specific purpose of debt service payments for the line of credit, revolving loan  
17 fund, and/or a direct loan agreement, *provided, however*, the implementation of  
18 this Subsection (a) *shall* be subject to GMHA *first* satisfying the prerequisite  
19 conditions set forth pursuant to §97104 of this Chapter 97. Until such time that  
20 GMHA meets the conditions of §97104, all funds collected and allocated for the  
21 purposes of this Subsection (a) *shall* be deposited into the Fund and allowed to  
22 accrue specifically for the purposes of this Subsection (a), thereby building and  
23 ensuring the accounts value and credit worthiness’.

24 All other proceeds from fees collected under this Article *shall* be deposited  
25 into the Fund and *shall not* be commingled with the General Fund.

1           (b) Up to Thirty Percent (30%), but not to exceed Two Million Five  
2 Hundred Thousand Dollars (\$2,500,000.00), whichever is less, of the funds in the  
3 GMHA Healthcare Trust and Development Fund, shall be allocated to the Guam  
4 Memorial Hospital Authority for the purpose of subsidizing the establishment and  
5 operation of either a Primary Healthcare Medical Center or Urgent Healthcare  
6 Medical Center within the Guam Memorial Hospital Authority facility and  
7 grounds; therefore, the SUM of TWO MILLION FIVE HUNDRED THOUSAND  
8 DOLLARS (\$2,500,000.00) of the fees collected pursuant to this Article shall be  
9 allocated and is hereby APPROPRIATED, and SHALL CONTINUE TO BE  
10 DEEMED APPROPRIATED, ANNUALLY, to the Guam Memorial Hospital  
11 Authority.

12           The annual allocation of Two Million Five Hundred Thousand Dollars  
13 (\$2,500,000.00), as appropriated pursuant to this Subsection (b), shall continue and  
14 shall remain in full force and effect until specifically revoked or amended pursuant  
15 to law. As fees are received and deposited into the Fund, a pro-rata share of  
16 available funds shall subsequently be transferred to the Guam Memorial Hospital  
17 Authority. The first two years of allocations shall be utilized, to the extent  
18 necessary, for the establishment and startup of the Primary Care Center, or, Urgent  
19 Care Center, and subsequently, thereafter, the allocations shall be utilized to help  
20 off-set and subsidize the cost of unpaid or underpaid medical care services  
21 provided to Medically Indigent Program patients, Medicaid patients, and self-  
22 paying patients utilizing the Primary Care Center or Urgent Care Center.

23           (c) Up to Six percent (6%), but not to exceed Five Hundred Thousand  
24 Dollars (\$500,000.00), whichever is less, of the funds in the Guam Healthcare  
25 Trust and Development Fund, shall be allocated to establish and maintain a Loan  
26 Payment Security Reserve Fund for the sole purpose of further ensuring and

1 backing the security of payments pledged for the line of credit, revolving loan  
2 fund, and/or direct loan agreement pursuant to 10 GCA §97103(a) of this Chapter,  
3 and entered into pursuant to 10 GCA §80109(v); therefore, the SUM of FIVE  
4 HUNDRED THOUSAND DOLLARS (\$500,000.00) of the fees collected pursuant  
5 to this Article shall be allocated and is hereby APPROPRIATED, and SHALL  
6 CONTINUE TO BE DEEMED APPROPRIATED, ANNUALLY, to the Loan  
7 Payment Security Reserve Fund.

8 The annual allocation of Five Hundred Thousand Dollars (\$500,000.00), as  
9 appropriated pursuant to this Subsection (c), shall continue and shall remain in full  
10 force and effect until specifically revoked or amended pursuant to law. As fees are  
11 received and deposited into the Fund, a pro-rata share of available funds shall  
12 subsequently be transferred and deposited in the Loan Payment Security Reserve  
13 Fund.

14 (1) The funds in the Loan Payment Security Reserve Fund may be  
15 pledged as additional security for the payment funds pledged pursuant  
16 to 10GCA §97103(a) for the debt service incurred, as authorized  
17 pursuant to 10GCA §80109(v), and *shall* only be drawn upon as  
18 required to ensure consistent, timely payment of the debt service  
19 obligation.

20 (d) All other remaining proceeds from fees collected under this Article  
21 *shall* be deposited into the Fund and *shall not* be commingled with the General  
22 Fund. After payments are first made to the Guam Memorial Hospital Authority for  
23 the purposes provided for in §97103(a), and second to the Guam Memorial  
24 Hospital Authority for the purposes provided for in §97103(b), and third to the  
25 Loan Payment Security Reserve Fund for the purposes provided for in subsection

1 (c), of §97103, then, any remaining monies in the Fund shall be allocated and  
2 solely expended, as follows:

3 (1) Accelerated early payment(s) on the principal of the Guam Memorial  
4 Hospital Authority line of credit, revolving loan fund, and/or a direct loan  
5 agreement, as authorized and entered into for pursuant to 10GCA §80109(v),  
6 on a quarterly basis for the fiscal year.

7 (e) All monies in funds from fees received, deposited, allocated,  
8 appropriated and dispersed pursuant to this § 97103 *shall not* be subject to the  
9 transfer authority of *I Maga'lahan Guåhan*, nor may they be expended for  
10 purposes not specifically provided for pursuant to this Act.

11 **§ 97104. Establishment of GMHA Management Reform Practices and**  
12 **Policies, as a Mandatory Prerequisite to Implementation of §97103(a).** (a)

13 Prior to the utilization of funds authorized and appropriated pursuant to §97103(a)  
14 of this Act, the Guam Memorial Hospital Authority *shall* first develop and adopt  
15 by Board resolution a *plan of action*, and subsequently implement and establish a  
16 viable, efficient pharmaceutical utilization and treatment tracking computer  
17 system, as well as other needed management tools, for billing and collection,  
18 procurement, and other similar purposes pertaining to the efficient management  
19 and operations of GMHA, to include, as well, the establishment of new revenue  
20 generating specialty medical services.

21 (b) Upon adoption of the *plan of action* by the Board of Trustees, and solely  
22 for the purposes of facilitating and initiating the implementation of the *plan*  
23 adopted pursuant to §97104(a), the SUM of FIVE HUNDRED THOUSAND  
24 DOLLARS (\$500,000.00) of the first \$500,000.00 of fees collected and deposited  
25 into the Fund is hereby APPROPRIATED and authorized for release and

1 expenditure by GMHA specifically for the purposes provided pursuant to this  
2 Section.

3 (c) Guam Memorial Hospital Authority *shall*, within thirty (30) days of the  
4 enactment of this Act, report to the Speaker, the Committee on Health & Human  
5 Services of *I Liheslaturan Guåhan*, and *I Maga'lahan Guåhan* on the  
6 implementation of this Section. The Committee on Health and Human Services,  
7 shall subsequently, by Legislative Resolution, seek the approval of *I Liheslaturan*  
8 *Guåhan* to authorize the Guam Memorial Hospital Authority to proceed with the  
9 full implementation of §97103(a) of this Chapter.

10 **§97105. Submission of Detailed Report of Expenditures on a Quarterly**

11 **Basis.** The Administrator of the Guam Memorial Hospital Authority shall submit  
12 to *I Liheslaturan Guåhan* and *I Maga'lahan Guåhan* a detailed report of the  
13 expenditures of the GMHA Healthcare Trust and Development Fund on a quarterly  
14 basis.

15 **§ 97106. Mandatory Prioritization for Distribution of Funds.** Notwithstanding  
16 any other provision of this Chapter 97, so as to ensure the timely and continuing  
17 payment of any debt entered into by the Guam Memorial Hospital Authority  
18 pursuant to subsection (a) of § 97103of this Chapter 79, the distribution of  
19 available monies actually in the Fund *shall* be prioritized, as follows:

20 (1) First to the Guam Memorial Hospital Authority for the payment of a line  
21 of credit, a revolving loan fund, and/or a direct loan agreement. Having  
22 assured the availability of funds and the payment of the GMHA debt  
23 being paid first, then;

24 (2) The balance of available monies in the Fund shall subsequently be  
25 distributed in the appropriate prorated amounts due to the Guam



1 Memorial Hospital Authority, for the purposes provided for pursuant to  
2 subsections (b), (c), and (d) of § 97103 of this Chapter 79.

3 **Section 3. Authorization to Borrow; Guam Memorial Hospital**  
4 **Authority.** A new Subsection (v) is hereby added to §80109, Chapter 80, Division  
5 4, Title 10, Guam Code Annotated, to read:

6 "(v) Arrange a line of credit, a revolving loan fund, and/or a direct loan, the  
7 total cumulative amount *not to exceed* Twenty-five Million Dollars (\$25,000,000),  
8 with banks or other lending institutions licensed to do business on Guam. All  
9 terms of the line of credit, a revolving loan fund, and/or a direct loan agreement  
10 *shall* be negotiated by the Guam Memorial Hospital Authority and *I Maga'lahan*  
11 *Guåhan* [Governor] in the best interests of the people of Guam, through and with  
12 the assistance of the Guam Economic Development Authority (GEDA). The terms  
13 of the line of credit, a revolving loan fund, and/or a direct loan *shall* include the  
14 following:

15 (1) the line of credit, a revolving loan fund, and/or a direct loan *shall*  
16 be solely used by the Authority to retire outstanding prior year debt to  
17 GMHA House Doctors, healthcare service providers, pharmaceutical  
18 suppliers, vendors, and all other payables, as per Exhibit "A", and provided  
19 that the loan *shall not* be used for other purposes, except as further provided  
20 pursuant to this Subsection (v);

21 (2) *no charge shall* be levied by a lender for making the loan;

22 (3) the interest rate *shall* be subjected to negotiation between GEDA,  
23 the Board of Trustees, *I Maga'lahan Guåhan* and the lender; such interest

1 rate *shall* be computed on a monthly average and based on the actual amount  
2 extended to the GEDA; and

3 (4) interest earned by the lender *shall* be exempt from taxation by the  
4 government of Guam.

5 (5) *I Maga'lahan Guåhan* is authorized to pledge funds which Guam  
6 *shall* receive from §97103(a) of Chapter 97, Title 10, Guam Code  
7 Annotated, as a security for repayment of the loan, in addition to any  
8 revenues which may be pledged by the Authority. *I Maga'lahan Guåhan*  
9 and the Authority are hereby authorized to execute the loan agreement, a  
10 revolving loan fund, and/or a direct loan agreement and other necessary  
11 documentation.

12 (6) The line of credit authorized in this Act *shall not* be used in the  
13 calculation for rate relief in any rate methodology for any rate-case before  
14 the Public Utilities Commission.

15 (7) The Guam Memorial Hospital Authority shall pledge all or part of  
16 its revenues from the GMHA Healthcare Trust and Development Fund as the  
17 primary source of repayment for the line of credit, revolving loan fund,  
18 and/or a direct loan, as authorized and appropriated pursuant to §97103(a) of  
19 Chapter 97, Division 2, Title 10, Guam Code Annotated. If required, the  
20 Authority may pledge, in addition, only its revenues as a security for  
21 repayment as determined by the negotiated agreement.

22 (8) Any money borrowed *shall* be repaid in accordance with the  
23 terms established in the negotiated agreement, but *not to exceed* an initial  
24 amortization period of more than fifteen (15) years. In *no case shall* any

1 amount borrowed be refinanced permitting repayment *more than* twenty (20)  
2 years after the loan is made.

3 (9) Notwithstanding the provisions of Chapter 6 of Title 5 of the  
4 Guam Code Annotated, the government of Guam hereby waives immunity  
5 from any suit or action in contract upon the loan and guaranty but *does not*  
6 waive sovereign immunity as to the personal liability of elected or appointed  
7 officials and employees of the government Guam."

8 **Section 4. GMHA Primary Care Center / Urgent Care Center.**

9 **(a) Legislative Intent.**

10 It is the *intent* of *I Liheslaturan Guåhan* to mandate the establishment and  
11 operation of either a Primary Healthcare or Urgent Healthcare medical services  
12 within the GMHA facility premises, so as to alleviate the current strain being  
13 imposed upon the emergency room, and imposition of exorbitant costs against  
14 limited GMHA finances.

15 **(b)** A new §80122 is hereby added to Chapter 80 of Division 4, Title 10,  
16 Guam Code Annotated, to read:

17 **“§80122. Primary Care Center, or, Urgent Care Center, Established.**

18 (a) The Guam Memorial Hospital Authority *shall* establish, within the premises of  
19 the hospital facility, *either* a Primary Healthcare Medical Services Center, *or*, an  
20 Urgent Healthcare Medical Services Center, for non-emergent outpatient medical  
21 services. The primary care center or urgent care center shall serve as a center to  
22 treat patients who have an injury or illness that requires immediate care, but are not  
23 apparently serious enough to require emergency room attention. The  
24 Administrator *may*, upon approval by the GMHA Board of Trustees and in

1 accordance with all relevant procurement laws, contract a licensed physician(s), or  
2 group of physicians, or private medical clinic to either lease and/or operate the  
3 functions of a Primary Care Center, or, an Urgent Care Center within the hospital  
4 premises. The contract shall be for a term of up to five (5) years, but not less than  
5 three (3) years, renewable by mutual agreement for an additional term of up to five  
6 (5) year period, but not less than three (3) years.

7 (b) Hours of Operation. The Board of Trustees shall determine the time(s)  
8 and appropriate number of hours the Primary Care Center or Urgent Care Center  
9 shall be open on a daily basis, inclusive of weekends and holidays, provided,  
10 however, at a minimum, the care center shall remain open for a minimum  
11 aggregate total of ten (10) hours or more per day.

12 (c) Criteria for Primary Care Center or Urgent Care Center. The Primary  
13 Care Center or Urgent Care center shall seek to develop and maintain a standard of  
14 medical care that meets the minimum criteria and requirements for primary care or  
15 urgent care services, as set forth by the Joint Commission and the CMS.

16 (d) The Primary Care Center, or, Urgent Care Center *shall* have all  
17 necessary medical personnel and resources to operate and maintain a fully  
18 functioning primary care center or urgent care center for outpatient medical  
19 services, as deemed appropriate pursuant to applicable medical standards and  
20 estimated population demand criteria.

21 (e) The Primary Care Center, or Urgent Care Center *shall* be required to  
22 accept patients on the same basis, terms and conditions as the Guam Memorial  
23 Hospital Authority, as mandated by the Organic Act of Guam relative to its  
24 requisite provision that the Governor of Guam shall ensure for the provision of

1 medical and hospital care for the people of Guam. The Primary Care Center or  
2 Urgent Care Center shall accept Medically Indigent Program patients and  
3 Medicaid program patients. This Section shall not be construed or interpreted to in  
4 any way impede the Primary Care Center or Urgent Care Center from collecting or  
5 seeking the collection of payment for medical services rendered. Patients shall be  
6 financially liable for medical services rendered as required pursuant to applicable  
7 law.

8 (f) The Guam Memorial Hospital Authority (GMHA) *shall* within six (6)  
9 months of enactment of this Act: (1) develop the Primary Care Center or Urgent  
10 Care Center operational criteria required to provide the medical services mandated  
11 pursuant to the spirit and intent of this Act; (2) identify and dedicate adequate,  
12 available space for the establishment of the Primary Care Center or Urgent Care  
13 Center; (3) commence the requisite processes necessary for GMHA to establish a  
14 Primary Care Center or Urgent Care Center; and/or, (4) *may*, at the discretion of  
15 the Board of Trustees, develop and solicit for a *Request for Proposals*, or solicit for  
16 *letters of interest*, pursuant to applicable procurement law, relative to the  
17 availability of the opportunity to provide contractual services to manage and/or  
18 operate a Primary Care Center or Urgent Care Center for non-emergent outpatient  
19 medical services at GMHA.”

20 **Section 5. Sunset Provision.** Chapter 97 of Title 10, Guam Code  
21 Annotated, as established pursuant to Section 2 of this Act shall remain in full  
22 force and effect for a period of fifteen (15) years, the end of which Chapter 97, 10  
23 GCA, shall automatically be deemed to be repealed, unless extended pursuant to  
24 law, provided, however, Chapter 97, 10 GCA, shall continue to remain in full force

1 and effect until such time as the debt incurred by the Guam Memorial Hospital  
2 Authority pursuant to Section 3 of this Act is fully extinguished.

3       **Section 6. Severability.** *If* any provision of this Act or its application to  
4 any person or circumstance is found to be invalid or contrary to law, such  
5 invalidity shall *not* affect other provisions or applications of this Act which can be  
6 given effect without the invalid provisions or application, and to this end the  
7 provisions of this Act are severable.

8       **Section 7. Effective Date.** This Act shall become immediately effective  
9 upon enactment.

10

Exhibit “A”

for

***“GMHA HEALTHCARE TRUST AND  
DEVELOPMENT ACT OF 2013”***

GUAM MEMORIAL HOSPITAL AUTHORITY  
A/P LISTING AS OF 01/14/2013

Date	Ck No	Ck Amount	SUMMARY	TOTAL	0 - 30	31 - 60	61 - 90	OVER 90
			Payroll Payables	1,119,968	279,212	280,796	284,739	275,222
			- GOV RET-DBP	158,524	158,524			
			- GOV RET-DCP	311,578	311,578			
			- DEPT OF REV 485	4,006,199				4,006,199
			GPA	437,644	220,000	217,644		
		29,677	GTA	219,344	28,698	29,135	29,115	132,397
		52,475	GWA	110,116	21,996	18,531		69,589
			House Doctors	838,019	2,872	3,099	4,551	827,498
		772,188	<b>Vendor Payables</b>	<b>14,820,209</b>	<b>1,456,768</b>	<b>1,368,487</b>	<b>824,968</b>	<b>11,169,985</b>
		103,167	<b>Dietary Vendors</b>	<b>309,470</b>	<b>59,502</b>	<b>71,617</b>	<b>52,501</b>	<b>125,849</b>
			Patient Refund	10,149				10,149
-----				-----				
		\$957,506	as of 01/14/2013	\$22,341,222	2,539,150	1,989,310	1,195,874	16,616,888
			as of 01/07/2013	\$23,291,327	2,817,196	2,009,262	1,328,922	17,135,947
			as of 12/30/2012	\$21,720,643	2,198,444	1,609,604	1,163,421	16,749,174
			as of 12/24/2012	\$21,760,890	1,551,550	1,923,554	1,385,567	16,900,219
			as of 12/17/2012	\$21,863,815	2,072,096	1,799,653	1,376,040	16,616,026
			as of 12/10/2012	\$21,964,214	1,962,637	1,551,263	1,771,239	16,679,075
			as of 12/03/2012	\$21,564,573	1,670,981	1,542,269	1,765,955	16,585,369
			as of 11/26/2012	\$21,577,109	1,410,157	1,920,793	1,669,071	16,577,088
			as of 11/12/2012	\$20,988,962	893,094	1,926,138	1,599,008	16,570,721
			as of 10/29/2012	\$22,045,610	1,154,090	2,101,291	1,676,624	17,113,605
			as of 10/22/2012	\$23,976,102	1,771,816	2,334,067	1,833,225	18,036,995
			as of 10/15/2012	\$21,460,430	1,035,227	1,892,049	1,838,795	16,694,359



GUAM MEMORIAL HOSPITAL AUTHORITY

A/P LISTING AS OF 01/14/2013

Date	Ck No	Ck Amount	SUMMARY	TOTAL	0 - 30	31 - 60	61 - 90	OVER 90
			25 GOV GUAM RET	158,523.54	158,523.54			
			26 GOV GUAM RET	311,578.34	311,578.34			
			54 TREASURER OF	4,006,198.76				4,006,198.76
			164 GUAM FEDERATI	3.50	1.00	1.00	1.00	0.50
			166 CALVO'S SELEC	1,119,964.65	279,210.82	280,794.89	284,737.76	275,221.18
				-----	-----	-----	-----	-----
				1,119,968.15	279,211.82	280,795.89	284,738.76	275,221.68
			201 SHEFF CONRAD,	741.12				741.12
			202 FOJAS MILLICO	25,578.24				25,578.24
			206 GUAM ORTHOPAE	28,610.52	1,472.00	480.00		26,658.52
			212 PACIFIC MEDIC	51,730.17		412.94	1,522.68	49,794.55
			220 BYUNGSOO KIM,	2,424.00				2,424.00
			224 ANNAKUTTY MAT	18,784.56				18,784.56
			229 JAROSLAV RICH	112.00				112.00
			231 EDNA V SANTOS	48,269.93				48,269.93
			237 PEDIATRIC & A	55,137.53				55,137.53
			247 GLADYS LINSAN	109,445.69			1,741.67	107,704.02
			249 ANTONIO L GAR	119,883.92		1,517.10		118,366.82
			254 THE NEUROLOGY	7,691.60		688.80	688.80	6,314.00
			256 ISLA PEDIATRI	11,541.65				11,541.65
			263 VINCENT DUENA	1,805.00			380.00	1,425.00
			265 MEDICAL PROFE	145.12				145.12
			269 MARIANAS FOOT	1,352.01	1,032.01			320.00
			271 MA CRISTINA M	55,475.48				55,475.48
			281 THE DOCTORS C	12,512.01			217.73	12,294.28
			282 SDA CLINIC	74,620.17				74,620.17
			307 EDGAR M MAGCA	8,676.52	368.00			8,308.52
			319 JOEL MARC RUB	958.36				958.36
			323 MARIA ANDREA	21,661.68				21,661.68
			328 SEAN FITZSIMM	1,020.29				1,020.29
			361 YOLANDA CARRE	127,460.27				127,460.27
			377 MPG PEDIATRIC	41,737.84				41,737.84
			392 GUAM SURGICAL	10,643.59				10,643.59
				-----	-----	-----	-----	-----
				838,019.27	2,872.01	3,098.84	4,550.88	827,497.54
			400 GUAM POWER AU	437,644.38	220,000.00	217,644.38		
01/11/2013	122357	29,676.56	401 GTA SERVICES	219,344.07	28,697.61	29,134.94	29,114.73	132,396.79
01/11/2013	122359	51,376.60	402 GUAM WATERWOR	108,296.09	20,175.85	18,531.16		69,589.08
01/11/2013	122360	396.40	405 GUAM WATERWOR	79.28	79.28			
01/11/2013	122361	702.27	406 GUAM WATERWOR	1,741.02	1,741.02			
				-----	-----	-----	-----	-----
				52,475.27	110,116.39	21,996.15	18,531.16	69,589.08

GUAM MEMORIAL HOSPITAL AUTHORITY  
A/P LISTING AS OF 01/14/2013

Date	Ck No	Ck Amount	SUMMARY	TOTAL	0 - 30	31 - 60	61 - 90	OVER 90
01/11/2013	122379	13,183.78	1068 3M KHSO298	155,388.52	15,851.61	1,245.74	29,790.40	108,500.77
			1003 ABBOTT LABORA	53,950.09				53,950.09
			5667 AGA - GUAM CH	360.00				360.00
			7310 AHR MEDICAL	992,224.47			25,417.70	966,806.77
			5928 AIR ENERGY SY	46,189.00	46,189.00			
			8779 AIRGAS - GASP	379.44				379.44
			5578 AMBROS INC	23,016.20	11,250.00		4,051.20	7,715.00
			5869 AMERICA'S BES	7,715.20		160.00	688.50	6,866.70
			2072 AMERICAN HEAL	1,980.00		990.00		990.00
			7034 AMERICAN OVER	2,342.26				2,342.26
01/09/2013	122351	104,833.00	1010 AMERICAN RED	371,589.00	40,094.00	121,556.00	88,439.00	121,500.00
			1340 AMERICAN REGE	23,322.87		525.00	22,508.45	289.42
			5825 APEX ENGINEER	3.44				3.44
			8335 ASHE/AMERICAN	125.00				125.00
			1088 B BRAUN MEDIC	3,514.62			678.48	2,836.14
			1166 BAXTER HEALTH	7,268.82		6,408.50	860.32	
			4117 BENSON GUAM E	164,493.29	1,204.57		7,490.41	155,798.31
			5052 BLUE PACIFIC	13,314.66				13,314.66
			4212 BUNNY PEST CO	1,166.66		1,166.66		
			4264 CARS PLUS LLC	114.12	54.52	59.60		
			7147 CERNER CORPOR	125,542.64	1,999.76			123,542.88
			5214 CLEAN SHOT	1,640.00		580.00	480.00	580.00
			1223 COLLEGE OF AM	4,509.00				4,509.00
			1178 COLORADO DEPT	13,923.00				13,923.00
			6073 COMPACIFIC	4,022.80		672.00	354.00	2,996.80
			2063 COMPUTER 2000	1,593.48				1,593.48
01/11/2013	122355	7,401.25	2079 COMPUTERMART	5,325.00		5,325.00		
			8351 CONNECT IMAGI	28,753.36				28,753.36
			5079 CONSOLIDATED	173.99				173.99
			4126 CONSTRUCTION	2,795.72				2,795.72
			5605 COPY EXPRESS	485.95	485.95			
			2044 DATA MANAGEME	10,536.00			8,716.00	1,820.00
01/03/2013	122315	203,608.00	5679 DCK PACIFIC G	578,725.00	578,725.00			
			5060 DELOITTE & TO	30,000.00		30,000.00		
			5213 DEPO RESOURCE	8,905.75				8,905.75
01/11/2013	122356	4,203.00	4131 DETRY PUMPING	529.00	386.00	143.00		
01/09/2013	122352	81,806.79	1021 DIAGNOSTIC LA	118,563.33		58,251.72	27.50	60,284.11
			2077 DISCOUNT COMP	40,136.60	12,469.40	27,667.20		
			5619 DOOLEY ROBERT	2,442.46				2,442.46
			8964 DR PATRICIA T	437.50				437.50
			7475 ECOLAB INC	3,201.27				3,201.27
			4314 ECOLAB (GUAM)	3,287.11				3,287.11
			2045 ELITE PRINTIN	2,444.00	2,275.00			169.00
			5658 EMC2 MECHANIC	1,960.00				1,960.00
			8803 EONS ENTERPRI	29,561.30		9,660.00		19,901.30
			4143 EPS INC	64.37		64.37		
			5104 FISHER & ASSO	80,645.52		15,690.00	16,668.75	48,286.77
			5007 G4S CASH SOLU	30,123.57		19,531.33		10,592.24
			1001 GENESIS ISLAN	574,447.66	51,673.65	34,246.30	61,564.19	426,963.52
			4365 GETS BUSINESS	6,744.26	287.50			6,456.76
			1061 GLAXOSMITHKLI	174.66			174.66	

GUAM MEMORIAL HOSPITAL AUTHORITY  
A/P LISTING AS OF 01/14/2013

Date	Ck No	Ck Amount	SUMMARY	TOTAL	0 - 30	31 - 60	61 - 90	OVER 90
			599 GMH MAIN CASH	630.00	157.50	472.50		
			598 GMH PETTY CAS	764.54	518.41	216.18		29.95
			4033 GRAINGER	4,451.72				4,451.72
			5696 GRAPHIC CENTE	4,196.80				4,196.80
			5114 GUAM JRC LOGI	230.00				230.00
			4275 GUAM MEDICAL	30,345.23				30,345.23
			2017 GUAM MODERN O	399.00				399.00
01/03/2013	122317	9,297.30	4010 GUAM PACIFIC	20,907.07	14,576.62	5,784.75		545.70
			5088 GUAM PUBLICAT	850.50			850.50	
			2087 Hafa ADAI SIG	285.00				285.00
			9481 HAWAII MEDICA	6,000.00				6,000.00
			4007 HAWTHORNE PAC	10,237.59	7,763.90		2,473.69	
			7163 HEALTH CARE L	4,473.50	794.64	823.20	2,855.66	
01/11/2013	122362	15,500.94	HEALTH SERVIC	4,446.51		4,446.51		
			2009 HOI MING PRIN	4,209.84	2,533.20	551.00	818.84	306.80
			1027 HOSPIRA WORLD	63,881.28	551.84	(212.50)		63,541.94
01/08/2013	122347	10,911.35	HYDRA AIR PACIF					
			8667 I-CONNECT	12,954.29		12,630.24	162.04	162.01
01/10/2013	122353	300.00	5180 INDUSTRIAL HY	150.00				150.00
			5688 INKS & GRAPHI	3,053.38		1,144.00	1,407.38	502.00
01/11/2013	122363	12,276.74	5815 INNERWORKINGS	9,562.50	6,766.50			2,796.00
01/11/2013	122364	12,929.93	4251 INTELLITYPE T	17,489.34	2,720.85	5,659.73	6,218.96	2,889.80
			1397 INTERNATIONAL	84,004.02				84,004.02
01/11/2013	122365	49,332.73	1036 ISLAND EQUIPM	186,775.22	68,204.73	85,375.70	33,194.79	
			2084 ITD PRINT SOL	321.46				321.46
			5208 IVANS	750.00		382.50	367.50	
			6016 JC MARKETING	567,516.18	49,253.96	72,879.63	48,849.69	396,532.90
			5009 JL BAKER & SO	4,954.26				4,954.26
			4177 JMI-EDISON	913,918.51	89,264.44	204,782.86	33,726.53	586,144.68
			5903 JOHNSTONE SUP	13,000.70			1,196.40	11,804.30
			8766 JRN AIR CONDI	21,550.00		21,550.00		
			4175 J&B MODERN TE	3,932.50				3,932.50
			1075 KARL STORZ EN	6,995.50				6,995.50
01/11/2013	122367	74,409.41	2047 KEANE INC	361,804.19	155,788.04	63,711.05	5,698.00	136,607.10
			3039 KLS MARTIN L.	370.50			370.50	
			1214 KRASITY'S MED	1,557.73				1,557.73
01/11/2013	122368	15,704.60	1955 LANDMARK DIST	101,275.20	8,075.00	2,106.00	5,880.00	85,214.20
			5102 LAW OFFICES O	10,000.00				10,000.00
			4188 LEMAITRE VASC	5,745.00				5,745.00
			5005 LITTLE PALM O	48,000.00	25,500.00	22,500.00		
			1416 M D WHOLESALE	471,745.76	41,764.43	71,578.92	24,147.71	334,254.70
			2070 M & M CARTRID	256.00				256.00
			1231 MALLINKRODT I	996.00	996.00			
			4276 MDX IMAGING C	11,218.64				11,218.64
01/11/2013	122369	70,457.14	1400 MEDPHARM	370,627.46	47,890.90	66,447.27	65,413.79	190,875.50
			1348 MEDTRONIC USA	52,424.20				52,424.20
			2012 MEGABYTE	213.36	213.36			
			1936 MERCK & CO IN	8,857.57			3,855.41	5,002.16
			2018 MICRO OFFICE	10,851.99	1,766.16	554.88		8,530.95
			1044 MICROMED SUPP	54,175.80				54,175.80
			4018 MICRONESIA GU	11,000.00	11,000.00			

GUAM MEMORIAL HOSPITAL AUTHORITY  
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Date	Ck No	Ck Amount	SUMMARY	TOTAL	0 - 30	31 - 60	61 - 90	OVER 90
01/11/2013	122371	15,466.28	1049 MIDWEST MEDIC	156,330.56	3,485.00	1,152.75	8,108.09	143,584.72
			1052 MODERN LABORA	2,204.25			469.75	1,734.50
			4030 MORRICO EQUIP	1,500.00		750.00	750.00	
			4006 MOTOROLA	3,173.00	793.25	793.25	793.25	793.25
			4037 NAPA AUTO PAR	482.50				482.50
			1014 NATIONAL DRUG	16,784.25	4,289.95			12,494.30
			7010 NATIONAL ECON	900.00				900.00
			2001 NATIONAL OFFI	14,643.28	4,709.51	2,979.08	6,739.69	215.00
			1225 NOVIS PHARMAC	42,375.41		38,041.41	4,334.00	
			5682 ONEDERA'S INC	29,652.48	1,044.11	2,145.73	1,075.40	25,387.24
			1179 OREGON DEPT O	27,611.00		14,248.00		13,363.00
01/11/2013	122372	8,328.76	OTIS ELEVATOR					
			3002 PACIFIC DATA	98.44		98.44		
01/11/2013	122374	10,327.00	4301 PACIFIC GUAM	21,746.24	5,794.24	6,000.00	992.00	8,960.00
			5115 PACIFIC LAUND	278,195.06	82,264.49	63,052.62	70,866.88	62,011.07
01/03/2013	122323	2,057.04	4058 PACIFIC RAINB	6,500.00				6,500.00
01/11/2013	122375	10,220.01	4127 PACIFIC WASTE	10,237.47	7,284.97	2,952.50		
			4304 PARTS SOURCE,	52,387.90				52,387.90
			5769 PAUL'S	9,602.73			5,058.85	4,543.88
			1083 PFIZER PHARMA	33,203.53		24,332.40	7,778.35	1,092.78
			3049 PHILIPS HEALT	1,314.58	1,314.58			
			1056 PLUS MARKETIN	9,789.20		3,639.20		6,150.00
			4260 PMBCS	7,741.10				7,741.10
			7374 PRACTICE SIGH	9,000.00			9,000.00	
			1031 PROGRAM SUPPO	5,378,233.92	28,969.32	176,270.33	152,214.02	5,020,780.25
			4039 PROVIDER ADVA	1,800.00	1,800.00			
			5754 PROVIDO TAN A	14,040.00		14,040.00		
			1002 QUANTUM PHARM	54,748.38	5,666.39	7,764.37	4,425.53	36,892.09
			1046 RADIATION DET	388.00	368.00			20.00
			5034 RADIOCOM	13,994.54		1,198.14	1,198.14	11,598.26
			7818 ROCHE DIAGNOS	24.36			24.36	
			5861 ROGER L MEJAR	1,575.00	1,575.00			
			1069 ROYAL MEDIA N	111,717.51		7,546.55	340.00	103,830.96
			1090 RSA GUAM LLC	13,127.00				13,127.00
			4001 SAFETY 1ST SY	228.00				228.00
			8889 SECURESAFE SO	525.00			525.00	
			1018 SERIM RESEARC	2,516.81				2,516.81
01/11/2013	122376	4,725.16	1024 SIEMENS HEALT	66,681.60		1,682.89		64,998.71
			1133 SIEMENS MEDIC	35,302.21				35,302.21
			1240 SIEMENS WATER	3,755.00				3,755.00
			4221 SMART COPY SE	61.80				61.80
01/11/2013	122377	18,607.33	SOUTH PACIFIC P					
			2002 STANDARD OFFI	8,589.60			652.72	7,936.88
			1066 SYNTHES (USA)	53.62			(38.58)	92.20
			4020 T-SYSTEM INC	24,996.00				24,996.00
			1417 TEAL PACIFIC	43,092.00				43,092.00
			4082 TEN TAK SUPPL	776.65				776.65
			5010 TNT EXPRESS /	(949.48)				(949.48)
			3000 TOPPY FURNITU	1,470.00				1,470.00
			453 TREASURER OF	930.00				930.00
			4195 TREASURER OF	56,239.05				56,239.05

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GUAM MEMORIAL HOSPITAL AUTHORITY  
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Date	Ck No	Ck Amount	SUMMARY	TOTAL	0 - 30	31 - 60	61 - 90	OVER 90
			451 TREASURER OF	318.56				318.56
			1023 TRILLAMED LLC	37,080.11		16,456.16	20,091.15	532.80
			7375 TRUSTAFF TRAV	965,790.24				965,790.24
			5723 TSANG BROTHER	4,360.50	2,100.00			2,260.50
			1322 UDL LABORATOR	6,307.30	654.39	1,766.79	3,886.12	
			8805 UNITED LITHOG	8,470.00	2,450.00	3,500.00		2,520.00
			7248 UNIVERSITY OF	300.00				300.00
			7248 UNIVERSITY OF	375.00				375.00
			7373 VISTA STAFFIN	20,158.50				20,158.50
01/08/2013	122350	16,300.00	1050 WESTSOURCE, M WL GORE & ASSOC	3,332.96	2,582.96	750.00		
			8838 WORLDWIDE TRA	39,335.89	575.89			38,760.00
			2004 XEROX CORPORA	52,207.97			14,691.35	37,516.62
			50046 ALANO MARIA A	400.00			400.00	
			50046 BLANCAFLOR MA	400.00				400.00
			50046 DOMALANTA DIN	1,450.00			600.00	850.00
			50012 GARRIDO JOHN	1,995.00			1,615.00	380.00
			50012 HERNANDEZ MAR	600.00			400.00	200.00
			50046 LINSANGAN MA	400.00			400.00	
			50046 MANALOTO MA C	1,450.00			600.00	850.00
			50046 SANTOS EDNA	1,200.00			1,200.00	
			50046 TERLAJE RICAR	380.00			380.00	
		772,187.54		14,820,209.38	1,456,768.49	1,368,487.45	824,968.02	11,169,985.42
			6000 COCA COLA BEV	31,855.07	5,134.51	8,970.46	7,922.34	9,827.76
			6031 DYNASTY MARKE	12,898.60		2,583.00	5,149.60	5,166.00
			6000 FOREMOST FOOD	1,366.65	1,366.65			
01/11/2013	122358	10,115.85	6004 GUAM BAKERY,	12,558.93	2,530.30	3,202.88	3,131.20	3,694.55
			6042 GUAM FISHERMA	3,932.12				3,932.12
			6039 ISLAND CHOICE	237.00	33.00	93.50	33.00	77.50
			6055 ISLAND VIEW F	539.00		50.00	88.00	401.00
01/11/2013	122366	15,597.75	6063 J.J.Q. INTERN	4,354.67	4,354.67			
			6043 M H ENTERPRIS	50,922.85	4,192.50	6,861.00	12,715.38	27,153.97
			6015 MARKET WHOLES	6,519.31	2,376.45	3,801.40	341.46	
01/11/2013	122370	25,511.37	6020 MICRONESIAN B	41,538.74	16,997.83	22,029.83	2,223.08	288.00
01/11/2013	122373	30,523.97	6010 PACIFIC PRODU	97,635.21	12,009.68	17,808.21	15,511.82	52,305.50
			6021 PAY-LESS MARK	17,250.60	185.40	1,023.61	1,762.28	14,279.31
			6012 PEPSI COLA BO	7,224.06	696.96	1,114.44	940.20	4,472.46
			6009 QUALITY DISTR	3,497.66	495.94	1,341.30	1,417.60	242.82
01/11/2013	122378	21,417.90	6017 SUNNY WHOLES	9,733.20	8,234.20	1,499.00		
			6003 TAI FA IMPORT	7,406.60	894.00	1,238.60	1,265.50	4,008.50
		103,166.84		309,470.27	59,502.09	71,617.23	52,501.46	125,849.49

GUAM MEMORIAL HOSPITAL AUTHORITY  
 A/P LISTING AS OF 01/14/2013

Date	Ck No	Ck Amount	SUMMARY	TOTAL	0 - 30	31 - 60	61 - 90	OVER 90
			30009 CAREFIRST BLU	5,839.52				5,839.52
			30009 INTERNATIONAL	1,358.00				1,358.00
			30009 TRICARE	1,068.00				1,068.00
			30009 TRICARE	518.72				518.72
			30009 WPS TRICARE	1,364.94				1,364.94
				<hr/>				
				10,149.18				10,149.18

**Bureau of Budget & Management Research  
Fiscal Note of Bill No. 20-32 (COR)**

**AN ACT TO ESTABLISH A HEALTHCARE TRUST AND DEVELOPMENT FUND, BY ADDING A NEW CHAPTER 97 TO TITLE 10, GUAM CODE ANNOTATED, AND AUTHORIZING THE EXPENDITURE OF MONIES IN THE FUND BY PUBLIC HEALTH CARE PROVIDERS FOR SPECIFIC PURPOSES PERTAINING TO EXTINGUISHING THE OUTSTANDING DEBT PAYABLES OF THE GUAM MEMORIAL HOSPITAL AUTHORITY, AND PROVIDE EXPANDED HEALTHCARE SERVICES BY ESTABLISHING AND FUNDING A GMHA PRIMARY HEALTHCARE OR URGENT HEALTHCARE CENTER FOR NON-EMERGENT PATIENTS; THIS ACT TO BE CITED AS "THE GMHA HEALTHCARE TRUST AND DEVELOPMENT ACT OF 2013.**

Department/Agency Appropriation Information	
Dept./Agency Affected: Guam Memorial Hospital Authority (GMHA)	Dept./Agency Head: Joseph P. Verga
Department's General Fund (GF) appropriation(s) to date:	2,225,415
Department's Other Fund (Specify) appropriation(s) to date: Healthy Futures Fund & GMHA Pharmaceuticals Fund	11,607,693
<b>Total Department/Agency Appropriation(s) to date:</b>	<b>513,833,108</b>

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2012 Unreserved Fund Balance		\$0	\$0
FY 2013 Adopted Revenues	\$0	\$0	\$0
FY 2013 Appra. (P.L. 31-233)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
<b>Total:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2013 (if applicable)	FY 2014	FY 2015	FY 2016	FY 2017
General Fund	\$8,500,000	\$0	\$0	\$0	\$0	\$0
(Specify Special Fund)	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$8,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

- Does the bill contain "revenue generating" provisions? /x/ Yes    / / No  
If Yes, see attachment
- Is amount appropriated adequate to fund the intent of the appropriation? / / N/A    / / Yes    /x/ No  
If no, what is the additional amount required? Appropriations shall continue to be deemed appropriated, annually until revoked or amended pursuant to law.
- Does the Bill establish a new program/agency? Either a Primary Care Ctr or Urgent Care Ctr. /x/ Yes    / / No  
If yes, will the program duplicate existing programs/agencies? / / N/A    / / Yes    /x/ No  
Is there a federal mandate to establish the program/agency? / / Yes    /x/ No
- Will the enactment of this Bill require new physical facilities? / / Yes    /x/ No
- Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: /x/ Yes    / / No  
/ / Requested agency comments not received as of the due date    / / Other:

Analyst: Nancy L. Mesa Date: 2/25/13 Director: John A. Rios Da **FEB 28 2013**

Footnotes:  
See attached comments.

**MINA' TRENTAI DOS NA LIHESLATURAN GUAHAN  
2013 (FIRST) Regular Session**

**Bill No. 20-32 (COR)**, as Substituted by the  
Committee on Health & Human Services,  
Health Insurance Reform, Economic Development, and  
Senior Citizens

Introduced by:

D.G. Rodriguez, Jr.

**AN ACT TO ESTABLISH A HEALTHCARE TRUST  
AND DEVELOPMENT FUND, BY ADDING A NEW  
CHAPTER 97 TO TITLE 10, GUAM CODE  
ANNOTATED, AND AUTHORIZING THE  
EXPENDITURE OF MONIES IN THE FUND FOR THE  
SPECIFIC PURPOSE OF PAYING THE OUTSTANDING  
DEBT PAYABLES OF THE GUAM MEMORIAL  
HOSPITAL AUTHORITY, AND ESTABLISH AND  
FUNDING A GMHA URGENT HEALTHCARE CENTER  
ON THE HOSPITAL PREMISES FOR NON-  
EMERGENCY PATIENTS; THIS ACT TO BE CITED  
AS "THE GMHA HEALTHCARE TRUST AND  
DEVELOPMENT ACT OF 2013."**

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

2           **Section 1. Legislative Findings and Intent:** *I Liheslaturan Guåhan*  
3           finds that the Guam Memorial Hospital Authority is seriously underfunded,  
4           resulting in consistent, chronic shortages in all operational areas that  
5           jeopardize the ability of Guam Memorial Hospital to adequately fulfill its  
6           mission.

7           The full scope and negative impact of the Guam Memorial Hospital  
8           Authority's outstanding debts, in excess of \$23,000,000 dollars, came to  
9           light during the Joint Status Hearing conducted by the Committee on Health  
10          & Human Services and the Committee on Finance, on April 18, 2012. *I*



1 *Liheslaturan Guåhan* further finds that in 2012, the federally approved  
2 discount provider for medical supplies garnished approximately \$500,000  
3 (taken from Medicare reimbursements through the U.S. Treasury) for non-  
4 payment of GMHA's debt. In March 2013, GMHA paid \$5,000,000 of its  
5 outstanding obligations using Compact-Impact funds, thus reducing its  
6 obligation to approximately \$18,000,000 as of March 31, 2013.

7 At the urging of the hospital administration, and with the support of the  
8 GMHA Board of Trustees and the Executive Branch of the government of  
9 Guam, it is the intent of *I Liheslaturan Guåhanto* address this lack of  
10 funding and to identify and provide additional sources of funding for the  
11 hospital.

12 It is the intent of *I Liheslaturan Guåhan* that this additional funding will be  
13 to deposited into the 'GMHA Healthcare Trust and Development Fund',  
14 apart and separate from all other funds and accounts of the government of  
15 Guam to facilitate and supplement the development and maintenance of  
16 Guam Memorial Hospital.

17 In the expenditure of GMHA HealthCare Trust and Development Fund  
18 monies, it is the intent of *I Liheslaturan Guåhan* that the first priority in the  
19 expenditure of Fund monies will be to extinguish the existing hospital debt,  
20 as per Exhibit "A" appended to this Act, by way of a line of credit, a  
21 revolving loan fund, and/or a direct loan agreement, secured and paid with a  
22 funding commitment from the Fund.

23 *I Liheslaturan Guåhan* further finds that in addition to paying off the  
24 existing hospital debt as expeditiously as possible will afford hospital  
25 administration and the GMHA Board of Trustees the opportunity to address

1 long term, systemic problems at the hospital which, in addition to the gross  
2 underfunding from the government of Guam, have also contributed to the  
3 accumulation of such a large debt.

4 These problems include, but are not limited too, the disproportionately high  
5 percentage of non-emergency, urgent care services provided by the  
6 Emergency Services (ER) Department; the lack of a viable, efficient  
7 pharmaceutical utilization and treatment tracking computer system (and  
8 software) for procurement, billing and collection purposes; and the need to  
9 establish management and operational reform practices.

10 *I Liheslaturan Guåhan* further finds that Public Law 27-77 directed the  
11 Compiler of Laws in §1610 and published all rules and regulations or  
12 amendments thereto received prior to the commencement codified in Bente  
13 Siete Na Liheslaturan Guahan. Those regulations include the gaming  
14 regulations found in Section 3 GAR §7001.

15 *I Liheslaturan Guåhan* finds the revenues to be generated from the licensing,  
16 fees, gross receipts taxes, and income taxes, and a new special assessment  
17 fee paid by the gaming industry will greatly benefit Guam Memorial  
18 Hospital.

19 *I Liheslaturan Guåhan further* finds that after approximately a 5-year period  
20 during which licenses for certain gaming machines were not issued, the  
21 government of Guam missed the opportunity to collect a minimum  
22 \$6,500,000 dollars in GRT and licensing fees over that period, which does  
23 not even account for other revenue factors such as income taxes, withholding  
24 taxes, etc.. In April 2013, *I Liheslaturan Guahan* further finds these  
25 machines were again eligible for licensure and operation pursuant to 3 GAR

1 Section 7114 and subsequently issued regulatory licenses by the Department  
2 of Revenue and Taxation.

3 Income tax, gross receipt taxes,licensing fees, and a new Four (4%) GMHA  
4 Trust Fee assessment from these recently licensed devices are considered  
5 new revenue to the government of Guam. It is the intent of *I Liheslaturan*  
6 *Guahan* to capture and retain these revenues exclusively to subsidize the  
7 Guam Memorial Hospital Authority’s effort to eliminate its longstanding  
8 debt to vendors and to start the establishment of an GMHA operated  
9 outpatient Urgent Healthcare Center.

10

## 11 “CHAPTER 97

### 12 ARTICLE 1

#### 13 GMHA HEALTHCARE TRUST AND DEVELOPMENT FUND

14 § 97101. Short Title.

15 § 97102. Guam HealthCare Trust and Development Fund.

16 § 97103. Use of Funds for the Development and Support of Health Care  
17 Services Programs and Facilities.

18 § 97104. Submission of Detailed Report of Expenditures on a Quarterly  
19 Basis.

20 § 97101. **Short Title.** This Act may be cited as “*The GMHA Healthcare*  
21 *Trust and Development Act of 2013.*”

22 § 97102. **Guam Healthcare Trust and Development Fund.**

23 (a) Notwithstanding any other law, there is hereby created, separate  
24 and apart from other funds and accounts of the government of Guam, a fund

1 known as the *GMHA Healthcare Trust and Development Fund* ('Fund'). The  
2 Fund shall not be commingled with the General Fund or any other fund or  
3 account of the government of Guam, and shall be kept in a separate bank  
4 account, subject to legislative appropriation as provided pursuant to this  
5 Chapter, to be used by the designated public healthcare agencies of the  
6 government of Guam for the purposes authorized. The Fund, to include any  
7 monies in the Fund dedicated and dispersed for purposes specified in this  
8 Act, **shall not** be subject to the transfer authority of *I Maga'lahan Guåhan*.

9 (b) The Fund shall be financed by:

10 (i) licensing fees, GRT, and income tax collected from the  
11 companies involved in gaming as provided by 3 GAR §7001 et seq.  
12 This includes those electronic gaming devices referred to in  
13 §7114(a)(5) and licensed per 11 GCA, Chapter 22, Article 2. These  
14 devices shall be known as the Liberty, Symbolix, and Match Play  
15 electronic gaming devices and only those registered with the  
16 Department of Revenue of Taxation prior to August 1, 2001, pursuant  
17 to 3 GAR §7114 (a)(5).

18 (ii) Notwithstanding any other provision of law, the collection  
19 of a special four percent (4%) assessment fee on income on all gaming  
20 devices authorized to be licensed pursuant to 11 GCA §22202 (f) and  
21 3 GAR §7114(a)(5), to be known as the "*GMHA Trust Fund Fee*".

22 (c) The Department of Revenue and Taxation (hereinafter the  
23 *Department*) shall collect such fees and transmit them to the Treasurer of  
24 Guam for deposit into the Fund. The Department shall:

1 (i) Develop the necessary forms and instructions for the  
2 licensing of persons and companies as set forth in 3 GAR §7001 and  
3 §97102 (b)(i)(ii) and of this Act;

4 (ii) Act as the repository for the Fund for use as authorized  
5 pursuant to this Article in carrying out the purpose of the Fund.

6 (d) The Department of Administration shall be the disbursing and  
7 certifying officer for the Fund, and shall comply with the provisions of  
8 Chapter 14 of Title 4, Guam Code Annotated. The Director of  
9 Administration shall maintain appropriate records of the Fund and shall  
10 provide accounting and auditing services for the Fund.

11 (i) The Department of Administration *shall* disperse funds in a  
12 manner compliant with §97103 of this Chapter.

13 **§ 97103. Allocations and Use of Funds; Authorized.**

14 (a) Not less than seventy-five percent (75%) of the funds deposited  
15 into the GMHA Healthcare Trust and Development Fund shall first be  
16 utilized by the Guam Memorial Hospital Authority to obtain a line of credit,  
17 a revolving loan fund, and/or a direct loan agreement to retire outstanding  
18 prior years debt as per Exhibit "A" appended to this Act, and for that  
19 specific purpose, the fees collected pursuant to this Article shall be annually  
20 allocated and are hereby APPROPRIATED, and SHALL CONTINUE TO  
21 BE DEEMED APPROPRIATED, ANNUALLY, to the Guam Memorial  
22 Hospital Authority for the sole and specific purpose of paying the debt  
23 service for the line of credit, revolving loan fund, and/or a direct loan  
24 agreement to retire their outstanding prior years debt obligations. This shall

1 continue and shall remain in full force and effect until specifically revoked  
2 or amended pursuant to law.

3 (b) As fees are received and deposited into the Fund, a pro-rata  
4 share of available funds shall subsequently be transferred to the Guam  
5 Memorial Hospital Authority.

6 The Guam Memorial Hospital Authority shall establish a bank  
7 account apart and separate from all other bank accounts of GMHA and the  
8 government of Guam, and *shall* deposit all funds allocated and appropriated  
9 pursuant to this Subsection into the account, and from which such funds  
10 shall only be drawn upon for the sole and specific purpose of debt service  
11 payments for the line of credit, revolving loan fund, and/or a direct loan  
12 agreement.

13 (c) Up to twenty-percent (20%) of the funds in the GMHA  
14 Healthcare Trust and Development Fund, shall be allocated to the Guam  
15 Memorial Hospital Authority for the purpose of subsidizing the  
16 establishment and operation, in whole or part, including as seed or start-up  
17 money, of an Urgent Healthcare Medical Center within the Guam Memorial  
18 Hospital Authority facility and grounds. The fees collected pursuant to this  
19 Article shall be annually allocated and are hereby APPROPRIATED, and  
20 SHALL CONTINUE TO BE DEEMED APPROPRIATED, ANNUALLY,  
21 to the Guam Memorial Hospital Authority for the sole and specific purpose  
22 of subsidizing the establishment and operation, in whole or part, including as  
23 seed or start-up money, of an Urgent Healthcare Medical Center within the  
24 Guam Memorial Hospital Authority facility and grounds. This shall continue  
25 and shall remain in full force and effect until specifically revoked or  
26 amended pursuant to law.

1 (d) After the final payment are first made to the Guam Memorial  
2 Hospital Authority for the purposes completing its financial  
3 obligations provided for in §97103(a), all fees received pursuant to  
4 §97102 (b)(i)(ii) of this Act shall continue in full force and effect  
5 and be used for the operations of the Guam Memorial Hospital  
6 Authority pursuant to §97103(c).

7 (e) Fees received pursuant to this § 97103 *shall not* be subject to the  
8 transfer authority of *I Maga'lahan Guåhan*, nor may they be  
9 expended for purposes not specifically provided for pursuant to  
10 this Chapter.

11  
12 **§97104. Submission of Detailed Report of Expenditures on a Quarterly**

13 **Basis.** The Administrator of the Guam Memorial Hospital Authority shall  
14 submit to *I Liheslaturan Guåhan* and *I Maga'lahan Guåhan* a detailed report  
15 of the expenditures of the GMHA Healthcare Trust and Development  
16 Fund on a quarterly basis.

17 **Section 3. Authorization to Borrow; Guam Memorial Hospital**  
18 **Authority.** A new Subsection (v) is hereby added to §80109, Chapter  
19 80, Division 4, Title 10, Guam Code Annotated, to read:

20 (1) "(v) Arrange a line of credit, a revolving loan fund, and/or a direct  
21 loan, the total cumulative amount *not to exceed* Eighteen million  
22 dollars (\$18,000,000) with banks or other lending institutions  
23 licensed to do business on Guam. All terms of the line of credit, a  
24 revolving loan fund, and/or a direct loan agreement *shall* be  
25 negotiated by the Guam Memorial Hospital Authority and  
26 *I Maga'lahan Guåhan* [Governor] in the best interests of the people

1 of Guam, through and with the assistance of the Guam Economic  
2 Development Authority (GEDA). The terms of the line of credit, a  
3 revolving loan fund, and/or a direct loan *shall* include the  
4 following:

5 (2) the line of credit, a revolving loan fund, and/or a direct loan *shall*  
6 be solely used by the Authority to retire outstanding prior year debt  
7 to GMHA House Doctors, healthcare service providers,  
8 pharmaceutical suppliers, vendors, and all other payables, as per  
9 Exhibit "A", and provided that the loan *shall not* be used for other  
10 purposes, except as further provided pursuant to this Subsection  
11 (v);

12 (3) *no charge shall* be levied by a lender for making the loan;

13 (4) the interest rate *shall* be subjected to negotiation between GEDA,  
14 the Board of Trustees, *I Magsa'lahan Guåhan* and the lender; such  
15 interest rate *shall* be computed on a monthly average and based on  
16 the actual amount extended to the GEDA; and

17 (5) interest earned by the lender *shall* be exempt from taxation by the  
18 government of Guam.

19 (6) *I Magsa'lahen Guåhan* is authorized to pledge funds which Guam  
20 *shall* receive from §97103(a) of Chapter 97, Title 10, Guam Code  
21 Annotated, as a security for repayment of the loan, in addition to  
22 any revenues which may be pledged by the Authority. *I*  
23 *Magsa'lahan Guåhan* and the Authority are hereby authorized to  
24 execute the loan agreement, a revolving loan fund, and/or a direct  
25 loan agreement and other necessary documentation.



1 (7) The line of credit authorized in this Act *shall not* be used in the  
2 calculation for rate relief in any rate methodology for any ratecase  
3 before the Public Utilities Commission.

4 (8) The Guam Memorial Hospital Authority shall pledge all or part of  
5 its revenues from the GMHA Healthcare Trust and Development  
6 Fund as the primary source of repayment for the line of credit,  
7 revolving loan fund, and/or a direct loan, as authorized and  
8 appropriated pursuant to §97103(a) of Chapter 97, Division 2, Title  
9 10, Guam Code Annotated. If required, the Authority may pledge,  
10 in addition, only its revenues as a security for repayment as  
11 determined by the negotiated agreement.

12 (9) Any money borrowed *shall* be repaid in accordance with the  
13 terms established in the negotiated agreement, but *not to exceed* an  
14 initial amortization period of more than fifteen (15) years.

15 (10) Notwithstanding the provisions of Chapter 6 of Title 5 of the  
16 Guam Code Annotated, the government of Guam hereby waives  
17 immunity from any suit or action in contract upon the loan and  
18 guaranty but *does not* waive sovereign immunity as to the personal  
19 liability of elected or appointed officials and employees of the  
20 government Guam."

#### 21 **Section 4. GMHA Urgent HealthCare Center.**

22 (a) **Legislative Intent.** It is the *intent* of *I Liheslaturan Guåhan* to  
23 mandate the establishment and operation of an outpatient Urgent  
24 Healthcare medical services facility within the GMHA facility  
25 premises.

1           (b) A new §80122 is hereby added to Chapter 80 of Division 4,  
2 Title 10, Guam Code Annotated, to read:

3           “§80122.   **Urgent Care Center, Established.**   (a) The Guam  
4 Memorial Hospital Authority *shall* establish, within the premises of  
5 the hospital facilityan Urgent Healthcare Medical Services Center for  
6 non-emergency outpatient medical services. The urgent care center  
7 shall serve as a facility to treat patients who have an injury or illness  
8 requiring immediate care, but are not apparently serious enough to  
9 require emergency room attention.

10           (b) Criteria for an Urgent Care Center. The Urgent Care  
11 center shall seek to develop and maintain a standard of medical care  
12 that meets the minimum criteria and requirements for primary care or  
13 urgent care services, as set forth by the Joint Commission and the  
14 CMS.

15           (f)The Guam Memorial Hospital Authority (GMHA) *shall*  
16 within six (6) months of enactment of this Act, establish a working  
17 group comprised of the necessary expertise, including professional  
18 GMHA Emergency Medicine representation, to develop: (1) Urgent  
19 Care Center operational criteria; (2) identify adequate, available space  
20 for the establishment of the Primary Care Center or Urgent Care  
21 Center; and, (3) commence the requisite processes necessary for  
22 GMHA to establish an Urgent Care Center.”

23           **Section 6. Exhibit “A”.** Exhibit “A”, appended to and incorporated  
24 in this Act, listing the Guam Memorial Hospital Authority’s outstanding  
25 obligations, is adopted, provided, however, GMHA shall update the listing

1 to reflect the outstanding payables due as of the date of enactment of this  
2 Act, which shall be the listing of payables authorized to be extinguished  
3 pursuant to this Act.

4 **Section 7. §22202 (f) Chapter 22, Title 11, Guam Code**  
5 **Annotated is hereby amended to read:**

6 (f) electronic gaming devices authorized by 3 GAR §7114(a)(5),  
7 registered and licensed by the Department of Revenue and  
8 Taxation as of August 1, 2001, shall be assessed an annual  
9 licensing fee of Five Hundred Twenty Five Dollars (\$525.00)  
10 commencing 1 July, 2013. A Twenty Five Dollar (\$25.00) increase  
11 in licensing fees shall be assessed per device every year thereafter;  
12 to wit devices known as the Liberty, Symbolix, and Match Play.  
13 ~~(f) on each video type symbolic amusement machine or any~~  
14 ~~other amusement device that is not listed in this Section, Five~~  
15 ~~Hundred Dollars (\$500.00);~~

16 **Section 7. Severability.** *If any provision of this Act or its application*  
17 *to any person or circumstance is found to be invalid or contrary to law, such*  
18 *invalidity shall not affect other provisions or applications of this Act which*  
19 *can be given effect without the invalid provisions or application, and to this*  
20 *end the provisions of this Act are severable.*

21 **Section 8. Effective Date.** This Act shall become immediately  
22 effective upon enactment.

23

Exhibit “A”

for

***“GMHAHEALTHCARE TRUST AND  
DEVELOPMENT ACT OF 2013”***

# EXHIBIT "A" BILL 20-32, as SUBSTITUTED

## GMHA ACCOUNTS PAYABLE AS OF 3/31/2013

SUMMARY	TOTAL	0 - 30	31 - 60	61 - 90	OVER 90
Payroll Payables	839,176	139,808	278,774	281,008	139,586
- GOV RET-DBP					
- GOV RET-DCP					
- DEPT OF REV 485	4,006,199				4,006,199
GPA	352,967		352,967		
GTA	150,381		58,832	415	91,134
GWA	83,926	32,228	5,977	25,466	20,255
House Doctors	702,731		175	8,366	694,191
Vendor Payables	12,274,163	494,371	1,214,112	1,136,450	9,429,229
Dietary Vendors	212,381	71,238	70,618	36,410	34,116
Patient Refund	11,277			1,128	10,149
as of 03/31/2013	\$18,633,201	737,645	1,981,456	1,489,242	14,424,859
54 TREASURER OF	4,006,198.76				4,006,198.76
164 GUAM FEDERATI	6.00	0.50	1.00	1.00	3.50
166 CALVO'S SELEC	839,170.23	139,807.76	278,772.93	281,006.57	139,582.97
	839,176.23	139,808.26	278,773.93	281,007.57	139,586.47
224 ANNAKUTTY MAT	13,786.14				13,786.14
249 ANTONIO L GAR	96,957.94				96,957.94
307 EDGAR M MAGCA	8,932.52				8,932.52
231 EDNA V SANTOS	40,725.15				40,725.15
202 FOJAS MILLICO	20,523.45				20,523.45
247 GLADYS LINSAN	87,914.48				87,914.48
206 GUAM ORTHOPAE	17,624.07			2,623.13	15,000.94
392 GUAM SURGICAL	4,584.95				4,584.95
256 ISLA PEDIATRI	11,541.65				11,541.65
229 JAROSLAV RICH	112.00				112.00
319 JOEL MARC RUB	958.36				958.36
271 MA CRISTINA M	45,441.67				45,441.67
323 MARIA ANDREA	17,481.79			112.00	17,369.79
265 MEDICAL PROFE	145.12				145.12
377 MPG PEDIATRIC	35,314.26				35,314.26
212 PACIFIC MEDIC	49,323.67			2,554.05	46,769.62
237 PEDIATRIC & A	47,653.76				47,653.76
282 SDA CLINIC	74,620.17				74,620.17
328 SEAN FITZSIMM	1,020.29				1,020.29
201 SHEFF CONRAD,	741.12				741.12
281 THE DOCTORS C	9,188.85		175.00	1,437.90	7,575.95
254 THE NEUROLOGY	6,486.20			344.40	6,141.80
361 YOLANDA CARRE	111,653.69			1,294.26	110,359.43
	702,731.30		175.00	8,365.74	694,190.56
400 GUAM POWER AU	352,966.93		352,966.93		
401 GTA SERVICES	150,380.50		58,832.09	414.59	91,133.82
402 GUAM WATERWOR	78,270.25	32,953.71	2,330.31	22,810.38	20,175.85
403 GUAM WATERWOR	101.36	13.21	14.57	73.58	
404 GUAM WATERWOR	-503.73	-739.34	77.05	158.56	
405 GUAM WATERWOR	1,197.44		1,197.44	-79.28	79.28
406 GUAM WATERWOR	4,861.12		2,358.09	2,503.03	
	83,926.44	32,227.58	5,977.46	25,466.27	20,255.13

GMHA  
ACCOUNTS PAYABLE AS OF 3/31/2013

SUMMARY	TOTAL	0 - 30	31 - 60	61 - 90	OVER 90
1068 3M KHSO298	92,716.51	11,392.17	15,668.76	799.19	64,856.39
1003 ABBOTT LABORA	19,818.64				19,818.64
20501 ACCOUNT CONTR	-92.57		-92.57		
7310 AHR MEDICAL	479,721.80				479,721.80
8779 AIRGAS - GASP	379.44				379.44
5578 AMBROS INC	23,598.00	5,854.00	8,719.00	5,475.00	3,550.00
5869 AMERICA'S BES	2,988.50	2,988.50			
7034 AMERICAN OVER	2,342.26				2,342.26
2032 AMERICAN PRIN	2,280.86	1,757.30	523.56		
1010 AMERICAN RED	348,841.00	44,162.00	107,406.00	68,220.00	129,053.00
7900 ANN MUNA	54.33	54.33			
5825 APEX ENGINEER	3.44				3.44
8335 ASHE/AMERICAN	125.00				125.00
1166 BAXTER HEALTH	10,269.33	-3,682.76	597.75	13,354.34	
1188 BECKMAN COULT	5,815.48		5,815.48		
4117 BENSON GUAM E	63,082.00	1,107.93	4,527.30	3,046.59	54,400.18
50046 BLANCAFLOR MA	300.00				300.00
1182 CARIS MEDICAL	4,540.60	4,540.60			
50013 CAROLINE YAP	6,000.00	6,000.00			
4264 CARS PLUS LLC	50.23	50.23			
7147 CERNER CORPOR	263,054.13	-88,714.14			351,768.27
1223 COLLEGE OF AM	14,544.00				14,544.00
1178 COLORADO DEPT	13,923.00				13,923.00
4012 COMFORT AUTO	685.00			685.00	
6073 COMPACIFIC	1,534.00	1,298.00	236.00		
2079 COMPUTERMART	2,575.00	400.00	2,175.00		
8351 CONNECT IMAGI	14,376.68				14,376.68
5079 CONSOLIDATED	173.99				173.99
4126 CONSTRUCTION	1,448.40	1,448.40			
5677 CREATIVITEES	1,528.00		1,528.00		
2044 DATA MANAGEME	10,536.00				10,536.00
5060 DELOITTE & TO	20,000.00			20,000.00	
5213 DEPO RESOURCE	1,577.50				1,577.50
4131 DETRY PUMPING	1,738.00		286.00	566.00	886.00
1021 DIAGNOSTIC LA	302,854.71		94,096.16		208,758.55
2077 DISCOUNT COMP	14,572.55	7,248.50	2,549.75	1,274.50	3,499.80
5619 DOOLEY ROBERT	8,221.90				8,221.90
8964 DR PATRICIA T	437.50				437.50
50046 DUENAS VINCEN	1,235.00				1,235.00
4314 ECOLAB (GUAM)	387.06	387.06			
5233 ESSENTIAL CON	40,000.00		40,000.00		
5104 FISHER & ASSO	92,959.25	26,988.75	26,565.00	21,026.75	18,378.75
4292 FORMFAST INC	13,435.00		13,435.00		
5007 G4S CASH SOLU	2,000.00	2,000.00			
50012 GARRIDO JOHN	1,995.00				1,995.00
1001 GENESIS ISLAN	433,913.27	55,463.90	84,330.95	99,961.98	194,156.44
1418 GENPRO INTERN	980.00				980.00
4365 GETS BUSINESS	6,744.26			287.50	6,456.76
5696 GRAPHIC CENTE	60.00		60.00		
4275 GUAM MEDICAL	30,345.23				30,345.23
2017 GUAM MODERN O	399.00				399.00
4010 GUAM PACIFIC	2,763.48	150.48	2,613.00		
9481 HAWAII MEDICA	6,000.00				6,000.00
5087 HAWAIIAN TELC	24,508.78			24,508.78	
7840 HEALTH LINE S	10,635.00				10,635.00
8020 HEALTH SERVIC	4,446.51				4,446.51
50012 HERNANDEZ MAR	600.00				600.00
2009 HOI MING PRIN	844.56	570.96	273.60		
1027 HOSPIRA WORLD	36,043.85	3,128.50	30,911.17	2,004.18	

GMHA  
ACCOUNTS PAYABLE AS OF 3/31/2013

SUMMARY	TOTAL	0 - 30	31 - 60	61 - 90	OVER 90
8667 I-CONNECT	486.09				486.09
5180 INDUSTRIAL HY	150.00				150.00
8840 INFOPRINT SOL	7,224.00				7,224.00
5688 INKS & GRAPHI	2,385.00		2,385.00		
5815 INNERWORKINGS	21,452.31	3,883.40	6,154.67	6,031.23	5,383.01
4251 INTELLITYPE T	4,615.88	2,163.83			2,452.05
1397 INTERNATIONAL	105,076.08	2,364.46	9,911.86	30,149.77	62,649.99
1036 ISLAND EQUIPM	87,452.75	4,594.10	9,381.19	59,360.50	14,116.96
5089 IT&E OVERSEAS	527.50		527.50		
5208 IVANS	765.00		382.50	382.50	
6016 JC MARKETING	308,372.48	84,093.36	30,384.38	20,876.10	173,018.64
4177 JMI-EDISON	596,221.57	8,673.60	36,416.91	136,956.80	414,174.26
5903 JOHNSTONE SUP	282.30	282.30			
4175 J&B MODERN TE	3,932.50				3,932.50
2047 KEANE INC	409,979.19	63,711.05	10,782.00	73,981.12	261,505.02
1955 LANDMARK DIST	198,470.78	94,497.80	74,609.70	29,363.28	
5005 LITTLE PALM O	28,500.00		28,500.00		
1416 M D WHOLESale	343,655.44	16,656.33	50,358.36	49,086.29	227,554.46
1231 MALLINKRODTI	996.00				996.00
50046 MANALOTO MA C	850.00				850.00
5689 MARIANAS VARI	224.00				224.00
1400 MEDPHARM	269,341.41	30,516.18	102,354.07	47,256.97	89,214.19
1348 MEDTRONIC USA	21,200.00				21,200.00
2012 MEGABYTE	730.48		517.12		213.36
2067 MEREDITH DIGI	4,757.55		4,757.55		
4214 MGT CORPORATI	396.00	396.00			
2018 MICRO OFFICE	8,101.20				8,101.20
1044 MICROMED SUPP	3,850.00	3,850.00			
1049 MIDWEST MEDIC	103,934.54		787.49	34,066.46	69,080.59
4006 MOTOROLA	3,966.25		793.25	793.25	2,379.75
7475 NALCO COMPANY	3,201.27				3,201.27
1014 NATIONAL DRUG	156.60	156.60			
7010 NATIONAL ECON	900.00				900.00
7377 NATIONAL MEDI	22,000.00			22,000.00	
2001 NATIONAL OFFI	20,734.72	8,080.16	12,654.56		
1225 NOVIS PHARMAC	25,406.10	13,942.10	11,464.00		
5682 ONEDERA'S INC	5,688.99	436.50	1,458.85	2,165.77	1,627.87
1179 OREGON DEPT O	30,020.00			7,656.00	22,364.00
4047 OTIS ELEVATOR	4,372.57			4,372.57	
4301 PACIFIC GUAM	18,496.74	6,152.50	4,650.00	1,200.00	6,494.24
5115 PACIFIC LAUND	222,009.03		110,835.59	87,855.25	23,318.19
4045 PACIFIC POWER	7,281.00		7,281.00		
5033 PACIFIC TECHN	1,095.51	1,095.51			
4127 PACIFIC WASTE	5,407.48	1,989.58	3,417.90		
1083 PFIZER PHARMA	16,429.64	16,429.64			
3049 PHILIPS HEALT	43,420.65				43,420.65
4260 PMBCS	7,741.10				7,741.10
7374 PRACTICE SIGH	18,000.00	9,000.00			9,000.00
1031 PROGRAM SUPPO	5,366,453.10	22,031.35	168,260.39	141,163.56	5,034,997.80
4039 PROVIDER ADVA	1,800.00				1,800.00
1002 QUANTUM PHARM	27,657.52	-450.00	1,046.50	6,986.30	20,074.72
5034 RADIOCOM	13,994.54				13,994.54
5684 REAGAN WILSON	11,500.00		11,500.00		
7818 ROCHE DIAGNOS	804.00	804.00			
50021 ROSARIO-SANCH	50.00	50.00			
1069 ROYAL MEDIA N	57,849.31				57,849.31
1090 RSA GUAM LLC	14,823.00		1,568.00	128.00	13,127.00
8889 SECURESAFE SO	1,200.00	1,200.00			
1018 SERIM RESEARC	2,516.81				2,516.81
1024 SIEMENS HEALT	64,677.54			64,677.54	
1133 SIEMENS MEDIC	11,843.32				11,843.32

GMHA  
ACCOUNTS PAYABLE AS OF 3/31/2013

SUMMARY	TOTAL	0 - 30	31 - 60	61 - 90	OVER 90
1240 SIEMENS WATER	3,755.00				3,755.00
5816 SOUTH PACIFIC	796.00	796.00			
2002 STANDARD OFFI	252.92	89.96	162.96		
4020 T-SYSTEM INC	27,495.60		27,495.60		
1417 TEAL PACIFIC	43,092.00				43,092.00
5010 TNT EXPRESS /	-949.48				-949.48
453 TREASURER OF	930.00				930.00
4195 TREASURER OF	59,762.35			3,523.30	56,239.05
451 TREASURER OF	318.56				318.56
1023 TRILLAMED LLC	19,312.22		6,825.21	12,487.01	
5117 TRIPLE B FORW	6,268.61	619.71	4,333.54	1,315.36	
7375 TRUSTAFF TRAV	965,790.24				965,790.24
5723 TSANG BROTHER	2,100.00				2,100.00
8805 UNITED LITHOG	10,570.00	3,850.00	3,220.00	1,050.00	2,450.00
4091 UNITEK ENVIRO	6,590.00		300.00	6,290.00	
7248 UNIVERSITY OF	375.00				375.00
7248 UNIVERSITY OF	300.00				300.00
5000 US POSTAL SER	5,000.00	5,000.00			
7373 VISTA STAFFIN	20,158.50				20,158.50
8801 WESTERN PACIF	9,500.00		950.00	8,550.00	
1050 WESTSOURCE, M	8,442.20	2,505.14	5,937.06		
2004 XEROX CORPORA	71,965.72	314.82	19,522.73	15,515.65	36,612.52
	12,274,162.74	494,370.69	1,214,112.35	1,136,450.39	9,429,229.31
6000 COCA COLA BEV	8,466.55	3,229.34	5,237.21		
6031 DYNASTY MARKE	20,336.00	2,583.00		2,271.40	15,481.60
6004 GUAM BAKERY,	2,488.35	1,825.10	663.25		
6039 ISLAND CHOICE	561.50	71.50	126.50	110.00	253.50
6055 ISLAND VIEW F	539.00				539.00
6063 J.J.Q. INTERN	5,717.46	4,214.10	1,503.36		
6043 M H ENTERPRIS	31,607.77	7,527.82	2,745.85	14,840.60	6,493.50
6015 MARKET WHOLES	3,982.27	1,386.06	2,596.21		
6020 MICRONESIAN B	51,673.16	22,504.54	27,349.18		1,819.44
6010 PACIFIC PRODU	65,420.43	20,988.47	18,626.70	18,153.72	7,651.54
6021 PAY-LESS MARK	3,395.32		484.14	1,034.14	1,877.04
6012 PEPSI COLA BO	816.75	816.75			
6009 QUALITY DISTR	1,225.82	1,225.82			
6017 SUNNY WHOLESA	16,078.90	4,793.50	11,285.40		
6003 TAI FA IMPORT	72.00	72.00			
	212,381.28	71,238.00	70,617.80	36,409.86	34,115.62
30009 CAREFIRST BLU	5,839.52				5,839.52
30009 FIDELA CRUZ M	365.28			365.28	
30009 INTERNATIONAL	1,358.00				1,358.00
30009 TRICARE	1,068.00				1,068.00
30009 TRICARE	518.72				518.72
30009 VICENTE DIEGO	100.00			100.00	
30009 WENHAO HUANG	662.26			662.26	
30009 WPS TRICARE	1,364.94				1,364.94
	11,276.72			1,127.54	10,149.18



**MINA' TRENTAI DOS NA LIHESLATURAN GUAHAN  
2013 (FIRST) Regular Session**

**Bill No. 20-32 (COR) as Amended by the Author.**

Introduced by:

**D.G. RODRIGUEZ, JR.**

**AN ACT TO ESTABLISH A HEALTHCARE TRUST AND DEVELOPMENT FUND, BY ADDING A NEW CHAPTER 97 TO TITLE 10, GUAM CODE ANNOTATED, AND AUTHORIZING THE EXPENDITURE OF MONIES IN THE FUND BY PUBLIC HEALTH CARE PROVIDERS FOR THE SPECIFIC PURPOSES OF PAYING PERTAINING TO EXTINGUISHING THE OUTSTANDING DEBT PAYABLES OF THE GUAM MEMORIAL HOSPITAL AUTHORITY, AND PROVIDE EXPANDED HEALTHCARE SERVICES BY ESTABLISH AND FUNDING A GMHA PRIMARY HEALTHCARE OR URGENT HEALTHCARE CENTER FOR NON-EMERGENCY PATIENTS; THIS ACT TO BE CITED AS "THE GMHA HEALTHCARE TRUST AND DEVELOPMENT ACT OF 2013."**

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

**Section 1. Legislative Findings and Intent:** *I Liheslaturan Guåhan* finds that the Guam Memorial Hospital Authority is ~~public health care institutions and approved non-governmental organizations providing healthcare services are~~ seriously underfunded, resulting in consistent, chronic shortages in all operational areas that jeopardize the ability of Guam Memorial Hospital to adequately fulfill its mission.

~~This has led to continual shortages in supplies, pharmaceuticals and staff. It has, as well, led to the increasing loss of house doctors willing to provide medical services at the Guam Memorial Hospital due to nonpayment. The full~~

1 scope and negative impact of the Guam Memorial Hospital Authority's  
2 outstanding debts, in excess of \$23,000,000 dollars, came to light during the *Joint*  
3 *Status Hearing* conducted by the Committee on Health & Human Services and the  
4 Committee on Finance, on April 18, 2012. *I Liheslaturan Guåhan* further finds  
5 that in 2012, the federally approved discount provider for medical supplies  
6 intercepted approximately \$500,000.00 (taken from Medicare reimbursements  
7 through the U.S. Treasury), for non-payment of GMHA's debt and is currently  
8 threatening to garnish additional funds. In March 2013, GMHA paid \$5,000,000 of  
9 its outstanding obligations using Compact-Impact funds, thus reducing its  
10 obligation to approximately \$18,000,000 as of March 31, 2013.

11 At the urging of the hospital administration, and with the support of the  
12 GMHA Board of Trustees and the Executive Branch of the government of Guam,  
13 it is the intent of *I Liheslaturan Guåhan* to address this lack of funding and to  
14 identify and provide additional sources of funding for the hospital.

15 ~~*I Liheslaturan Guåhan* further finds that there were \$174,457,564.00 (2007),~~  
16 ~~\$184,148,347.00 (2008), \$190,191,200.00 (2009), \$202,328,780.00 (2010),~~  
17 ~~\$231,611,664.00 (2011), and \$181,990,405.00 (as of 3<sup>rd</sup> quarter Sept. 2012) in~~  
18 ~~health insurance premiums written by domestic, Guam-based, health care insurance~~  
19 ~~providers and health maintenance organizations (\$1,164,727,183.00 (2007 ~ 2012~~  
20 ~~(as of 3<sup>rd</sup> quarter). Further, there is an additional annual average of over~~  
21 ~~\$2,605,262.00 in health insurance premiums written by non-domestic health~~  
22 ~~insurance providers (2007 ~ 3<sup>rd</sup> quarter 2011 only). This is a rising combined~~  
23 ~~annual aggregate average of over \$194,555,537.00 (w/o 2012 4<sup>th</sup> quarter) being~~  
24 ~~paid in health care insurance premiums, with an aggregate total of~~

1 ~~\$1,167,333,222.00~~ in health insurance premiums paid over the past six years;  
2 without domestic healthcare administrators having to pay a 4% Business Privilege  
3 Tax, and limited taxation on non-domestic providers. Put another way, in lieu of a  
4 4% Business Privilege Tax not being applied, the aggregate sum of ~~\$1.1 Billion~~  
5 ~~(over the period: 2007 – 3<sup>rd</sup> quarter Sept. 2012)~~ equates to approximately ~~\$46.7~~  
6 ~~Million~~ in tax revenues not being realized by the government. Further, Domestic  
7 Health Insurers continue to hold Qualifying Certificates and a Grant of Benefit  
8 [pursuant to §§58105.6, 58128.4, QC Law] for ONE HUNDRED PERCENT  
9 (100%) rebates for Income Tax [§58128.4(a), QC Law], Income Tax on Dividends  
10 [§§58130, 58128.4(b), QC Law], and Abatement of Gross Receipt Taxes on  
11 Premiums [§58127.5, QC Law], pursuant to which they continue to enjoy  
12 significant tax relief.

13 *I Liheslaturan Guåhan* takes due note that with the implementation of  
14 issuing Qualifying Certificates to health care insurance providers, as well as the  
15 Captive Insurance Program pursuant to Chapter 23, Title 22, Guam Code  
16 Annotated, that the premiums for health care insurance are tax free. This has  
17 reduced the tax revenue to the government which is in need of funds for the  
18 provision of public health care services for the people of Guam.

19 *I Liheslaturan Guåhan* takes note of the fact that when the healthcare  
20 insurance industry utilized the benefits of the available qualifying certificates and  
21 the captive insurance program, they realized a significant financial windfall.  
22 However, *I Liheslaturan Guåhan* also takes due note that there were no  
23 commensurate reductions in the cost of insurance premiums passed on to  
24 consumers. Further, *I Liheslaturan Guåhan* gives due consideration that of the

1 ~~four domestic healthcare insurance companies, they collectively maintained a~~  
2 ~~significant book of business, allowing them for many years to make substantial~~  
3 ~~profits, regardless of whether or not they paid out Medical Loss Ratio rebates to~~  
4 ~~their subscribers, and therefore, should not now be overly burdened or impacted by~~  
5 ~~the application of a four percent (4%) fee upon health care insurance premiums for~~  
6 ~~the purpose of establishing a ‘GMHA Healthcare Trust and Development Fund’,~~  
7 ~~which would be utilized for the public’s benefit by way of improving and~~  
8 ~~supporting the government provision of health care services. Their years of~~  
9 ~~exemptions from the business privilege tax have already served its stated purpose~~  
10 ~~of bolstering their businesses, but unfortunately, without a reciprocal~~  
11 ~~corresponding effort by them to reduce costs to their subscribers. Further, and~~  
12 ~~notwithstanding the issues of tax abatements, in 2012, that at least two Guam based~~  
13 ~~HMO’s issued over Fourteen Million Dollars (\$14,000,000.00+) in medical loss~~  
14 ~~ratio refunds to subscribers; while another issued corporate dividends, also, in the~~  
15 ~~amount of approximately \$14 Million dollars.~~

16       It is the intent of *I Liheslaturan Guåhan* that this additional funding will be  
17 to deposited into the ~~to assess a four percent (4%) fee upon all health care~~  
18 ~~insurance premiums for the purpose of establishing a ‘GMHA Healthcare Trust~~  
19 ~~and Development Fund’, apart and separate from all other funds and accounts of~~  
20 ~~the government of Guam to facilitate and supplement the development and~~  
21 ~~maintenance of Guam Memorial Hospital public health care services. This has the~~  
22 ~~potential to annually generate approximately **\$8.5 Million** (with projected 2012 4<sup>th</sup>~~  
23 ~~quarter \$20M+) in revenue for the GMHA HealthCare Trust and Development~~  
24 ~~Fund for expenditure on the development and provision of hospital healthcare~~  
25 ~~services for the people of Guam.~~

1 In the expenditure of GMHA HealthCare Trust and Development Fund  
2 monies, it is the intent of *I Liheslaturan Guåhan* that the first priority in the  
3 expenditure of Fund monies will be to extinguish the existing hospital debt, ~~should~~  
4 ~~be to extinguish the existing \$22,000,000.00 plus in outstanding debt payables of~~  
5 ~~the Guam Memorial Hospital Authority,~~ as per Exhibit “A” appended to this Act,  
6 ~~to GMHA House Doctors, healthcare service providers, pharmaceutical suppliers,~~  
7 ~~and all other vendor payables, in its entirety,~~ by way of a line of credit, a revolving  
8 loan fund, and/or a direct loan agreement, secured and paid with a funding  
9 commitment from the Fund.

10 *I Liheslaturan Guåhan* further finds that in addition to paying off the  
11 existing hospital debt as expeditiously as possible will afford hospital  
12 administration and the GMHA Board of Trustees the opportunity to address long  
13 term, systemic problems at the hospital which, in addition to the gross  
14 underfunding from the government of Guam, have also contributed to the  
15 accumulation of such a large debt.

16 These problems include, but are not limited too, the disproportionately high  
17 percentage of non-emergency, urgent care services provided by the Emergency  
18 Services (ER) Department; the lack of a viable, efficient pharmaceutical utilization  
19 and treatment tracking computer system (and software) for procurement, billing  
20 and collection purposes; and the need to establish management and operational  
21 reform practices.

22 *I Liheslaturan Guåhan* further finds that Public Law 27-77 directed the  
23 Compiler of Laws in §1610 and published all rules and regulations or amendments  
24 thereto received prior to the commencement codified in Bente Siete Na

1 Liheslaturan Guahan. Those regulations include the gaming regulations found in  
2 Section 3 GAR §7001.

3 *I Liheslaturan Guåhan* finds the revenues to be generated from the licensing,  
4 fees, gross receipts taxes, and income taxes, and a new special assessment fee paid  
5 by the gaming industry will greatly benefit Guam Memorial Hospital.

6 *I Liheslaturan Guåhan further* finds that after approximately a 5-year period  
7 during which licenses for certain gaming machines were not issued, the  
8 government of Guam missed the opportunity to collect a minimum \$6,500,000  
9 dollars in GRT and licensing fees over that period, which does not even account  
10 for other revenue factors such as income taxes, withholding taxes, etc.. In April  
11 2013, *I Liheslaturan Guahan* further finds these machines were again eligible for  
12 licensure and operation pursuant to 3 GAR Section 7114 and subsequently issued  
13 regulatory licenses by the Department of Revenue and Taxation.

14 Income tax, gross receipt taxes,licensing fees, and a new Four (4%) GMHA  
15 Trust Fee assessment from these recently licensed devices are considered new  
16 revenue to the government of Guam. It is the intent of *I Liheslaturan Guahan* to  
17 capture and retain these revenues exclusively to subsidize the Guam Memorial  
18 Hospital Authority’s effort to eliminate its longstanding debt to vendors and to  
19 start the establishment of an GMHA operated outpatient Urgent Healthcare Center.

20 ~~*I Liheslaturan Guåhan* finds that a disproportionately high percentage of~~  
21 ~~services being provided by the Guam Memorial Hospital Authority emergency~~  
22 ~~room are dedicated to non-emergency medical services, as compared to normal,~~  
23 ~~dedicated emergency room services. Further, these non-emergency medical~~  
24 ~~services are more costly to provide within the setting of an emergency room, and~~

1 should more appropriately be available through a private medical clinic, or, by way  
2 of an Urgent Care Center. ~~I Liheslaturan Guåhan~~ takes due note of the GMHA  
3 report on emergency room utilization for the year 2010, during which the 19,291  
4 non-emergent cases exceeded the 8,785 actual emergency cases. Of the \$28.7  
5 Million in costs of going to the emergency room for 2010, 68.5% or \$19.6 Million  
6 was for non-emergent cases.

7 ~~I Liheslaturan Guåhan~~ further finds that whereas the government of Guam is  
8 mandated pursuant to the Organic Act of Guam to provide medical care services  
9 for the people of Guam, regardless of a patient's ability to pay or availability of  
10 medical insurance coverage. The cost of providing the requisite medical services  
11 can be reduced by establishing an urgent care center to address the non-emergency  
12 medical needs of patients currently availing themselves of GMHA emergency  
13 room services and resources. It is the *intent* of ~~I Liheslaturan Guåhan~~ to mandate  
14 the establishment and operation of either a Primary Healthcare or Urgent  
15 Healthcare medical services within the GMHA facility, and thereby, reduce the  
16 hospitals cost of operations for non-emergent medical services.

17 ~~I Liheslaturan Guåhan~~ finds that GMHA continues to lack a viable, efficient  
18 pharmaceutical utilization and treatment tracking computer system (and software)  
19 for billing and collection purposes. Notwithstanding grand pronouncements early  
20 in 2011 by the new GMHA administration and Board of Trustees of turning  
21 GMHA's financial management shortfalls, deficiencies' and inefficiencies' around,  
22 thereby placing the hospital on a sound financial footing, just the opposite occurred  
23 and GMHA experienced a worsening performance being reported for collections  
24 and financial management, as per the Office of Public Accountability, and the

1 ~~Independent Auditor's Report for years 2010 /2011, by Deloitte & Touch, LLP,~~  
2 ~~dated March 23, 2012.~~

3 ~~Therefore, it is, further, the intent of *I Liheslaturan Guåhan* to ensure that a~~  
4 ~~repetition of escalating indebtedness and cash shortfalls does not reoccur, as was~~  
5 ~~the case after GMHA borrowed \$12,000,000 pursuant to § 80109(s) of Chapter 80,~~  
6 ~~Title 10, Guam Code Annotated (P.L. 30-200:2 (enacted Dec. 09, 2010), for the~~  
7 ~~purpose of establishing a line of credit, a revolving loan fund, and/or a direct line~~  
8 ~~of credit to be used by the Authority when a cash shortage threatens the operations~~  
9 ~~of the Hospital.~~

10 ~~As a prerequisite condition of GMHA's authorization to utilize the funds~~  
11 ~~provided pursuant to Section 2 of this Act relative to extinguishing GMHA's~~  
12 ~~indebtedness', it is the intent of *I Liheslaturan Guåhan* that GMHA *shall* first~~  
13 ~~establish a viable, efficient pharmaceutical utilization and treatment tracking~~  
14 ~~computer system, as well as other needed management tools, for billing and~~  
15 ~~collection, procurement, and other similar purposes pertaining to the efficient~~  
16 ~~management and operation of GMHA, as provided for and funded pursuant to~~  
17 ~~Section 2 of this Act (a new 10 GCA § 97104. Establishment of GMHA~~  
18 ~~Management Reform Practices and Policies, as a Mandatory Prerequisite to the~~  
19 ~~Implementation of §97103(a) Allocations and Use of Funds). Further, *I*~~  
20 ~~*Liheslaturan Guåhan* finds it crucial that GMHA's plan of action include the~~  
21 ~~establishment of new revenue generating specialty medical services.~~

22 ~~**Section 2.** A new Chapter 97, is hereby added to Title 10, Guam Code~~  
23 ~~Annotated, to read:~~

24 ~~**“CHAPTER 97**~~



ARTICLE 1

GMHA HEALTHCARE TRUST AND DEVELOPMENT FUND

§ 97101. Short Title.

§ 97102. Guam HealthCare Trust and Development Fund.

§ 97103. Use of Funds for the Development and Support of Health Care Services Programs and Facilities.

§ 97104. Submission of Detailed Report of Expenditures on a Quarterly Basis.

**§ 97101. Short Title.** This Act may be cited as “*The GMHA Healthcare Trust and Development Act of 2013.*”

**§ 97102. Guam Healthcare Trust and Development Fund.**

(a) Notwithstanding any other law, there is hereby created, separate and apart from other funds and accounts of the government of Guam, a fund known as the *GMHA Healthcare Trust and Development Fund* ('Fund'). The Fund shall not be commingled with the General Fund or any other fund or account of the government of Guam, and shall be kept in a separate bank account, subject to legislative appropriation as provided pursuant to this Chapter, to be used by the designated public healthcare agencies of the government of Guam for the purposes authorized. The Fund, to include any monies in the Fund dedicated and dispersed for purposes specified in this Act, **shall not** be subject to the transfer authority of *Maga'lahan Guåhan*.

(b) The Fund shall be financed by:

(i) licensing fees, GRT, and income tax collected from the companies involved in gaming as provided by 3 GAR §7001 et seq. This includes those

1 electronic gaming devices referred to in §7114(a)(5) and licensed per 11  
2 GCA, Chapter 22, Article 2. These devices shall be known as the Liberty,  
3 Symbolix, and Match Play electronic gaming devices and only those  
4 registered with the Department of Revenue of Taxation prior to August 1,  
5 2001, pursuant to 3 GAR §7114 (a)(5).

6 (ii) Notwithstanding any other provision of law, the collection of a  
7 special four percent (4%) assessment fee on income on all gaming devices  
8 authorized to be licensed pursuant to 11 GCA §22202 (f) and 3 GAR  
9 §7114(a)(5), to be known as the “GMHA Trust Fund Fee”.

10  
11 ~~the collection of a four percent (4%) assessment fee on all healthcare~~  
12 ~~insurance premiums paid in Guam for the coverage of company employees and~~  
13 ~~their dependents’, or individuals. Such fees shall be collected from the healthcare~~  
14 ~~insurance companies providing such coverage on Guam.~~

15 (c) The Department of Revenue and Taxation (hereinafter the *Department*)  
16 shall collect such fees and transmit them to the Treasurer of Guam for deposit into  
17 the Fund. The Department shall:

18 (i) Develop the necessary forms and instructions for the licensing of  
19 persons and companies as set forth in 3 GAR §7001 and §97102 (b)(i)(ii)  
20 and of this Act;

21 (ii) Act as the repository for the Fund for use as authorized pursuant to  
22 this Article in carrying out the purpose of the Fund.

1       ~~For purposes of this section, *healthcare insurance* is defined as health~~  
2 ~~insurance against sickness or injury of persons or companies employees, with the~~  
3 ~~insured being engaged in activities within Guam, such activities being included in~~  
4 ~~the definition of *healthcare insurance provider* or *health maintenance organization*~~  
5 ~~(HMO) defined in Title 11, Guam Code Annotated.~~

6       ~~(d) The Department of Revenue and Taxation (the *Department*) shall collect~~  
7 ~~such fees and transmit them to the Treasurer of Guam for deposit in the Fund. The~~  
8 ~~Department shall:~~

9       ~~(i) Develop the necessary forms and instructions to be sent to all insurance~~  
10 ~~companies issuing healthcare insurance. Such forms and instructions shall~~  
11 ~~direct these insurance companies to pay the four percent (4%) assessment as~~  
12 ~~a condition of continuing to do business of Guam;~~

13       ~~(ii) Act as the repository for the Fund for use as authorized pursuant to this~~  
14 ~~Article in carrying out the purpose of the Fund.~~

15       ~~(d)~~ ~~(e)~~ The Department of Administration shall be the disbursing and  
16 certifying officer for the Fund, and shall comply with the provisions of Chapter 14  
17 of Title 46, Guam Code Annotated. The Director of Administration shall maintain  
18 appropriate records of the Fund and shall provide accounting and auditing services  
19 for the Fund.

20       (i) The Department of Administration *shall* disperse funds in a manner  
21 compliant with §97105 of this Chapter.

22       **§ 97103. Allocations and Use of Funds; Authorized.**

1        (a) Not less than seventy-five percent (75%) of the funds deposited into  
2 the GMHA Healthcare Trust and Development Fund Up to Sixty-two Percent  
3 (62%), but not to exceed Five Million Dollars (\$5,000,000.00), whichever is less,  
4 of the funds in the GMHA Healthcare Trust and Development Fund shall first be  
5 utilized by the Guam Memorial Hospital Authority to obtain a line of credit, a  
6 revolving loan fund, and/or a direct loan agreement to retire their outstanding prior  
7 year debt to GMHA House Doctors, healthcare service providers, pharmaceutical  
8 suppliers, vendors, and all other payables, as per Exhibit "A" appended to this Act,  
9 and for that specific purpose, the SUM of FIVE MILLION DOLLARS  
10 (\$5,000,000.00) of the fees collected pursuant to this Article shall be annually  
11 allocated and are is hereby APPROPRIATED, and SHALL CONTINUE TO BE  
12 DEEMED APPROPRIATED, ANNUALLY, to the Guam Memorial Hospital  
13 Authority for the sole and specific purpose of paying the debt service for the line of  
14 credit, revolving loan fund, and/or a direct loan agreement to retire their  
15 outstanding prior year debt obligations.

16        This ~~The annual allocation of Five Million Dollars (\$5,000,000.00), as~~  
17 ~~appropriated pursuant to this Subsection (a), shall continue and shall remain in full~~  
18 ~~force and effect until specifically revoked or amended pursuant to law.~~

19        (b) As fees are received and deposited into the Fund, a pro-rata share of  
20 available funds shall subsequently be transferred to the Guam Memorial Hospital  
21 Authority.

22        The Guam Memorial Hospital Authority shall establish a bank account apart  
23 and separate from all other bank accounts of GMHA and the government of Guam,  
24 and *shall* deposit all funds allocated and appropriated pursuant to this Subsection  
25 into the account, and from which such funds shall only be drawn upon for the sole

1 and specific purpose of debt service payments for the line of credit, revolving loan  
2 fund, and/or a direct loan agreement,  ~~, provided, however, the implementation of~~  
3 ~~this Subsection (a) shall be subject to GMHA first satisfying the prerequisite~~  
4 ~~conditions set forth pursuant to §97104 of this Chapter 97. Until such time that~~  
5 ~~GMHA meets the conditions of §97104, all funds collected and allocated for the~~  
6 ~~purposes of this Subsection (a) shall be deposited into the Fund and allowed to~~  
7 ~~accrue specifically for the purposes of this Subsection (a), thereby building and~~  
8 ~~ensuring the accounts value and credit worthiness'.~~

9 All other proceeds from fees collected under this Article ~~shall be deposited~~  
10 ~~into the Fund and shall not be commingled with the General Fund.~~

11 ~~(c) (b)Up to twenty Thirty Percent (230%), but not to exceed Two Million~~  
12 ~~Five Hundred Thousand Dollars (\$2,500,000.00), whichever is less, of the funds in~~  
13 ~~the GMHA Healthcare Trust and Development Fund, shall be allocated to the~~  
14 ~~Guam Memorial Hospital Authority for the purpose of subsidizing the~~  
15 ~~establishment and operation, in whole or part, including as seed or start-up money,~~  
16 ~~of an either a Primary Healthcare Medical Center or Urgent Healthcare Medical~~  
17 ~~Center within the Guam Memorial Hospital Authority facility and grounds. ;~~  
18 ~~therefore, the SUM of TWO MILLION FIVE HUNDRED THOUSAND~~  
19 ~~DOLLARS (\$2,500,000.00) of The fees collected pursuant to this Article shall be~~  
20 ~~annually allocated and is hereby APPROPRIATED, and SHALL CONTINUE TO~~  
21 ~~BE DEEMED APPROPRIATED, ANNUALLY, to the Guam Memorial Hospital~~  
22 ~~Authority for the sole and specific purpose of subsidizing the establishment and~~  
23 ~~operation, in whole or part, including as seed or start-up money, of an Urgent~~  
24 ~~Healthcare Medical Center within the Guam Memorial Hospital Authority facility~~

1 and grounds. This shall continue and shall remain in full force and effect until  
2 specifically revoked or amended pursuant to law.

3 ~~The annual allocation of Two Million Five Hundred Thousand Dollars~~  
4 ~~(\$2,500,000.00), as appropriated pursuant to this Subsection (b), shall continue and~~  
5 ~~shall remain in full force and effect until specifically revoked or amended pursuant~~  
6 ~~to law. As fees are received and deposited into the Fund, a pro-rata share of~~  
7 ~~available funds shall subsequently be transferred to the Guam Memorial Hospital~~  
8 ~~Authority. The first two years of allocations shall be utilized, to the extent~~  
9 ~~necessary, for the establishment and startup of the Primary Care Center, or, Urgent~~  
10 ~~Care Center, and subsequently, thereafter, the allocations shall be utilized to help~~  
11 ~~off-set and subsidize the cost of unpaid or underpaid medical care services~~  
12 ~~provided to Medically Indigent Program patients, Medicaid patients, and self-~~  
13 ~~paying patients utilizing the Primary Care Center or Urgent Care Center.~~

14 (d) After the final payment are first made to the Guam Memorial Hospital  
15 Authority for the purposes completing its financial obligations provided for in  
16 §97103(a), all fees received pursuant to §97102 (b)(i)(ii) of this Act shall continue  
17 in full force and effect and be used for the operations of the Guam Memorial  
18 Hospital Authority pursuant to §97103(c).

19 ~~(e) Up to Six percent (6%), but not to exceed Five Hundred Thousand~~  
20 ~~Dollars (\$500,000.00), whichever is less, of the funds in the Guam Healthcare~~  
21 ~~Trust and Development Fund, shall be allocated to establish and maintain a Loan~~  
22 ~~Payment Security Reserve Fund for the sole purpose of further ensuring and~~  
23 ~~backing the security of payments pledged for the line of credit, revolving loan~~  
24 ~~fund, and/or direct loan agreement pursuant to 10 GCA §97103(a) of this Chapter,~~  
25 ~~and entered into pursuant to 10 GCA §80109(v); therefore, the SUM of FIVE~~

1 ~~HUNDRED THOUSAND DOLLARS (\$500,000.00) of the fees collected pursuant~~  
2 ~~to this Article shall be allocated and is hereby APPROPRIATED, and SHALL~~  
3 ~~CONTINUE TO BE DEEMED APPROPRIATED, ANNUALLY, to the Loan~~  
4 ~~Payment Security Reserve Fund.~~

5 ~~The annual allocation of Five Hundred Thousand Dollars (\$500,000.00), as~~  
6 ~~appropriated pursuant to this Subsection (c), shall continue and shall remain in full~~  
7 ~~force and effect until specifically revoked or amended pursuant to law. As fees are~~  
8 ~~received and deposited into the Fund, a pro-rata share of available funds shall~~  
9 ~~subsequently be transferred and deposited in the Loan Payment Security Reserve~~  
10 ~~Fund.~~

11 ~~(1) The funds in the Loan Payment Security Reserve Fund may be~~  
12 ~~pledged as additional security for the payment funds pledged pursuant~~  
13 ~~to 10GCA §97103(a) for the debt service incurred, as authorized~~  
14 ~~pursuant to 10GCA §80109(v), and *shall* only be drawn upon as~~  
15 ~~required to ensure consistent, timely payment of the debt service~~  
16 ~~obligation.~~

17 ~~(d) All other remaining proceeds from fees collected under this Article~~  
18 ~~*shall* be deposited into the Fund and *shall not* be commingled with the General~~  
19 ~~Fund. After payments are first made to the Guam Memorial Hospital Authority for~~  
20 ~~the purposes provided for in §97103(a), and second to the Guam Memorial~~  
21 ~~Hospital Authority for the purposes provided for in §97103(b), and third to the~~  
22 ~~Loan Payment Security Reserve Fund for the purposes provided for in subsection~~  
23 ~~(c), of §97103, then, any remaining monies in the Fund shall be allocated and~~  
24 ~~solely expended, as follows:~~

1       ~~(1) Accelerated early payment(s) on the principal of the Guam Memorial~~  
2       ~~Hospital Authority line of credit, revolving loan fund, and/or a direct loan~~  
3       ~~agreement, as authorized and entered into for pursuant to 10GCA §80109(v),~~  
4       ~~on a quarterly basis for the fiscal year.~~

5       ~~(e) All monies in funds from Fees received, deposited, allocated,~~  
6       ~~appropriated and dispersed pursuant to this § 97103 shall not be subject to the~~  
7       ~~transfer authority of I Maga'lahan Guåhan, nor may they be expended for~~  
8       ~~purposes not specifically provided for pursuant to this Chapter Act.~~

9  
10       ~~§ 97104. Establishment of GMHA Management Reform Practices and~~  
11       ~~Policies, as a Mandatory Prerequisite to Implementation of §97103(a). (a)~~

12       ~~Prior to the utilization of funds authorized and appropriated pursuant to §97103(a)~~  
13       ~~of this Act, the Guam Memorial Hospital Authority shall first develop and adopt~~  
14       ~~by Board resolution a plan of action, and subsequently implement and establish a~~  
15       ~~viable, efficient pharmaceutical utilization and treatment tracking computer~~  
16       ~~system, as well as other needed management tools, for billing and collection,~~  
17       ~~procurement, and other similar purposes pertaining to the efficient management~~  
18       ~~and operations of GMHA, to include, as well, the establishment of new revenue~~  
19       ~~generating specialty medical services.~~

20       ~~(b) Upon adoption of the plan of action by the Board of Trustees, and solely~~  
21       ~~for the purposes of facilitating and initiating the implementation of the plan~~  
22       ~~adopted pursuant to §97104(a), the SUM of FIVE HUNDRED THOUSAND~~  
23       ~~DOLLARS (\$500,000.00) of the first \$500,000.00 of fees collected and deposited~~  
24       ~~into the Fund is hereby APPROPRIATED and authorized for release and~~



1 expenditure by GMHA specifically for the purposes provided pursuant to this  
2 Section.

3 (c) ~~Guam Memorial Hospital Authority shall, within thirty (30) days of the~~  
4 ~~enactment of this Act, report to the Speaker, the Committee on Health & Human~~  
5 ~~Services of I Liheslaturan Guåhan, and I Maga'lahan Guåhan on the~~  
6 ~~implementation of this Section. The Committee on Health and Human Services,~~  
7 ~~shall subsequently, by Legislative Resolution, seek the approval of I Liheslaturan~~  
8 ~~Guåhan to authorize the Guam Memorial Hospital Authority to proceed with the~~  
9 ~~full implementation of §97103(a) of this Chapter.~~

10 **§97105. Submission of Detailed Report of Expenditures on a Quarterly**  
11 **Basis.** The Administrator of the Guam Memorial Hospital Authority shall submit  
12 to *I Liheslaturan Guåhan* and *I Maga'lahan Guåhan* a detailed report of the  
13 expenditures of the GMHA Healthcare Trust and Development Fund on a quarterly  
14 basis.

15 ~~§ 97106. Mandatory Prioritization for Distribution of Funds.~~  
16 ~~Notwithstanding any other provision of this Chapter 97, so as to ensure the timely~~  
17 ~~and continuing payment of any debt entered into by the Guam Memorial Hospital~~  
18 ~~Authority pursuant to subsection (a) of § 97103 of this Chapter 79, the distribution~~  
19 ~~of available monies actually in the Fund shall be prioritized, as follows:~~

20 (1) ~~First to the Guam Memorial Hospital Authority for the payment of a line~~  
21 ~~of credit, a revolving loan fund, and/or a direct loan agreement. Having~~  
22 ~~assured the availability of funds and the payment of the GMHA debt~~  
23 ~~being paid first, then;~~

1       ~~(2) The balance of available monies in the Fund shall subsequently be~~  
2       ~~distributed in the appropriate prorated amounts due to the Guam~~  
3       ~~Memorial Hospital Authority, for the purposes provided for pursuant to~~  
4       ~~subsections (b), (c), and (d) of § 97103 of this Chapter 79.~~

5       **Section 3. Authorization to Borrow; Guam Memorial Hospital**  
6       **Authority.** A new Subsection (v) is hereby added to §80109, Chapter 80, Division  
7       4, Title 10, Guam Code Annotated, to read:

8       (1) "(v) Arrange a line of credit, a revolving loan fund, and/or a direct loan,  
9       the total cumulative amount *not to exceed* Eighteen ~~Twenty-five~~ Million Dollars  
10      (\$18,000,000) ~~(\$25,000,000)~~, with banks or other lending institutions licensed to  
11      do business on Guam. All terms of the line of credit, a revolving loan fund, and/or  
12      a direct loan agreement *shall* be negotiated by the Guam Memorial Hospital  
13      Authority and *I Maga'lahan Guåhan* [Governor] in the best interests of the people  
14      of Guam, through and with the assistance of the Guam Economic Development  
15      Authority (GEDA). The terms of the line of credit, a revolving loan fund, and/or a  
16      direct loan *shall* include the following:

17              (2) ~~(1)~~—the line of credit, a revolving loan fund, and/or a direct loan  
18              *shall* be solely used by the Authority to retire outstanding prior year debt to  
19              GMHA House Doctors, healthcare service providers, pharmaceutical  
20              suppliers, vendors, and all other payables, as per Exhibit "A", and provided  
21              that the loan *shall not* be used for other purposes, except as further provided  
22              pursuant to this Subsection (v);

23              (3) ~~(2)~~ *no charge shall* be levied by a lender for making the loan;

1           (4) ~~(3)~~ the interest rate *shall* be subjected to negotiation between  
2 GEDA, the Board of Trustees, *I Maga'lahan Guåhan* and the lender; such  
3 interest rate *shall* be computed on a monthly average and based on the actual  
4 amount extended to the GEDA; and

5           (5) ~~(4)~~ interest earned by the lender *shall* be exempt from taxation by  
6 the government of Guam.

7           (6) ~~(5)~~—*I Maga'lahen Guåhan* is authorized to pledge funds which  
8 Guam *shall* receive from §97103(a) of Chapter 97, Title 10, Guam Code  
9 Annotated, as a security for repayment of the loan, in addition to any  
10 revenues which may be pledged by the Authority. *I Maga'lahan Guåhan*  
11 and the Authority are hereby authorized to execute the loan agreement, a  
12 revolving loan fund, and/or a direct loan agreement and other necessary  
13 documentation.

14           (7) ~~(6)~~ The line of credit authorized in this Act *shall not* be used in  
15 the calculation for rate relief in any rate methodology for any rate-case  
16 before the Public Utilities Commission.

17           (8) ~~(7)~~ The Guam Memorial Hospital Authority shall pledge all or  
18 part of its revenues from the GMHA Healthcare Trust and Development  
19 Fund as the primary source of repayment for the line of credit, revolving  
20 loan fund, and/or a direct loan, as authorized and appropriated pursuant to  
21 §97103(a) of Chapter 97, Division 2, Title 10, Guam Code Annotated. If  
22 required, the Authority may pledge, in addition, only its revenues as a  
23 security for repayment as determined by the negotiated agreement.

1           (9) ~~(8)~~ Any money borrowed *shall* be repaid in accordance with the  
2 terms established in the negotiated agreement, but *not to exceed* an initial  
3 amortization period of more than fifteen (15) years. In *no case shall* any  
4 amount borrowed be refinanced permitting repayment *more than* twenty (20)  
5 years after the loan is made.

6           (10) ~~(9)~~ Notwithstanding the provisions of Chapter 6 of Title 5 of the  
7 Guam Code Annotated, the government of Guam hereby waives immunity  
8 from any suit or action in contract upon the loan and guaranty but *does not*  
9 waive sovereign immunity as to the personal liability of elected or appointed  
10 officials and employees of the government Guam."

11           **Section 4. GMHA ~~Primary Care Center~~ / Urgent Care Center.**

12           **(a) Legislative Intent.**

13           It is the *intent* of *I Liheslaturan Guåhan* to mandate the establishment and  
14 operation of an outpatient ~~either a Primary Healthcare or Urgent Healthcare~~  
15 medical services ~~within the GMHA facility~~ within the GMHA facility premise. ~~so~~  
16 ~~as to alleviate the current strain being imposed upon the emergency room, and~~  
17 ~~imposition of exorbitant costs against limited GMHA finances.~~

18           **(b)** A new §80122 is hereby added to Chapter 80 of Division 4, Title 10,  
19 Guam Code Annotated, to read:

20           **“§80122. ~~Primary Care Center, or, Urgent Care Center, Established.~~**

21           (a) The Guam Memorial Hospital Authority *shall* establish, within the premises of  
22 the hospital facility, ~~either a Primary Healthcare Medical Services Center, or,~~ an  
23 Urgent Healthcare Medical Services Center, for non- emergency emergent

1 outpatient medical services. The ~~primary care center or~~ urgent care center shall  
2 serve as a center to treat patients who have an injury or illness that requires  
3 immediate care, but are not apparently serious enough to require emergency room  
4 attention. The Administrator ~~may~~, upon approval by the GMHA Board of Trustees  
5 and in accordance with all relevant procurement laws, contract a licensed  
6 physician(s), or group of physicians, or private medical clinic to either lease and/or  
7 operate the functions of a Primary Care Center, or, an Urgent Care Center within  
8 the hospital premises. The contract shall be for a term of up to five (5) years, but  
9 not less than three (3) years, renewable by mutual agreement for an additional term  
10 of up to five (5) year period, but not less than three (3) years.

11 (b) ~~Hours of Operation.~~ The Board of Trustees shall determine the time(s)  
12 and appropriate number of hours the Primary Care Center or Urgent Care Center  
13 shall be open on a daily basis, inclusive of weekends and holidays, provided,  
14 however, at a minimum, the care center shall remain open for a minimum  
15 aggregate total of ten (10) hours or more per day.

16 (e) ~~Criteria for Primary Care Center or Urgent Care Center.~~ The Primary  
17 Care Center or Urgent Care center shall seek to develop and maintain a standard of  
18 medical care that meets the minimum criteria and requirements for primary care or  
19 urgent care services, as set forth by the Joint Commission and the CMS.

20 (d) ~~The Primary Care Center, or, Urgent Care Center shall~~ have all  
21 necessary medical personnel and resources to operate and maintain a fully  
22 functioning primary care center or urgent care center for outpatient medical  
23 services, as deemed appropriate pursuant to applicable medical standards and  
24 estimated population demand criteria.

**Bill No. 20-32 (COR) as Amended by the Author.**

1           ~~(e) The Primary Care Center, or Urgent Care Center *shall* be required to~~  
2 ~~accept patients on the same basis, terms and conditions as the Guam Memorial~~  
3 ~~Hospital Authority, as mandated by the Organic Act of Guam relative to its~~  
4 ~~requisite provision that the Governor of Guam shall ensure for the provision of~~  
5 ~~medical and hospital care for the people of Guam. The Primary Care Center or~~  
6 ~~Urgent Care Center shall accept Medically Indigent Program patients and~~  
7 ~~Medicaid program patients. This Section shall not be construed or interpreted to in~~  
8 ~~any way impede the Primary Care Center or Urgent Care Center from collecting or~~  
9 ~~seeking the collection of payment for medical services rendered. Patients shall be~~  
10 ~~financially liable for medical services rendered as required pursuant to applicable~~  
11 ~~law.~~

12           (f) The Guam Memorial Hospital Authority (GMHA) *shall* within six (6)  
13 months of enactment of this Act: establish a working group comprised of the  
14 necessary expertise, including professional GMHA Emergency Medicine  
15 representation, to develop: (1) Urgent Care Center operational criteria; (2) identify  
16 adequate, available space for the establishment of the Primary Care Center or  
17 Urgent Care Center; and, (3) commence the requisite processes necessary for  
18 GMHA to establish an Urgent Care Center. ~~(1) develop the Primary Care Center or~~  
19 ~~Urgent Care Center operational criteria required to provide the medical services~~  
20 ~~mandated pursuant to the spirit and intent of this Act; (2) identify and dedicate~~  
21 ~~adequate, available space for the establishment of the Primary Care Center or~~  
22 ~~Urgent Care Center; (3) commence the requisite processes necessary for GMHA~~  
23 ~~to establish a Primary Care Center or Urgent Care Center; and/or, (4) *may*, at the~~  
24 ~~discretion of the Board of Trustees, develop and solicit for a *Request for*~~  
25 ~~*Proposals*, or solicit for *letters of interest*, pursuant to applicable procurement law,~~

1 ~~relative to the availability of the opportunity to provide contractual services to~~  
2 ~~manage and/or operate a Primary Care Center or Urgent Care Center for non-~~  
3 ~~emergent outpatient medical services at GMHA.”~~

4 ~~**Section 5. Sunset Provision.** Chapter 97 of Title 10, Guam Code~~  
5 ~~Annotated, as established pursuant to Section 2 of this Act shall remain in full~~  
6 ~~force and effect for a period of fifteen (15) years, the end of which Chapter 97, 10~~  
7 ~~GCA, shall automatically be deemed to be repealed, unless extended pursuant to~~  
8 ~~law, provided, however, Chapter 97, 10 GCA, shall continue to remain in full force~~  
9 ~~and effect until such time as the debt incurred by the Guam Memorial Hospital~~  
10 ~~Authority pursuant to Section 3 of this Act is fully extinguished.~~

11 **Section 6. Exhibit “A”.** Exhibit “A”, appended to and incorporated in this  
12 Act, listing the Guam Memorial Hospital Authority’s outstanding obligations, is  
13 adopted, provided, however, GMHA shall update the listing to reflect the  
14 outstanding payables due as of the date of enactment of this Act, which shall be the  
15 listing of payables authorized to be extinguished pursuant to this Act.

16 **Section 7. §22202 (f) Chapter 22, Title 11, Guam Code Annotated is**  
17 **hereby amended to read:**

18 (f) electronic gaming devices authorized by 3 GAR §7114(a)(5), registered  
19 and licensed by the Department of Revenue and Taxation as of August 1,  
20 2001, shall be assessed an annual licensing fee of Five Hundred Twenty  
21 Five Dollars (\$525.00) commencing 1 July, 2013. A Twenty Five Dollar  
22 (\$25.00) increase in licensing fees shall be assessed per device every year

1           thereafter; to wit devices known as the Liberty, Symbolix, and Match  
2           Play.

3           ~~(f) on each video type symbolic amusement machine or any~~  
4           ~~other amusement device that is not listed in this Section, Five Hundred~~  
5           ~~Dollars (\$500.00);~~

6           **Section 7 6. Severability.** *If* any provision of this Act or its application to  
7 any person or circumstance is found to be invalid or contrary to law, such  
8 invalidity shall *not* affect other provisions or applications of this Act which can be  
9 given effect without the invalid provisions or application, and to this end the  
10 provisions of this Act are severable.

11           **Section 8 7. Effective Date.** This Act shall become immediately effective  
12 upon enactment.

13



# Exhibit “A”

for

## ***“GMHA HEALTHCARE TRUST AND DEVELOPMENT ACT OF 2013”***

**Bill No. 20-32 (COR) as Amended by the Author.**

GNGHA  
ACCOUNTS PAYABLE AS OF 3/31/2013

SUMMARY	TOTAL	0 - 30	31 - 60	61 - 90	OVER 90
Payroll Payables	839,176	139,808	278,774	281,008	139,586
- GOV RET-DBP					
- GOV RET-DCP					
- DEPT OF REV 465	4,006,199				4,006,199
GPA	352,967		352,967		
GTA	150,381		58,832	415	91,134
GWA	83,926	82,228	1,977	25,466	20,255
House Doctors	702,731		173	8,366	694,191
Vendor Payables	12,274,163	494,371	1,214,112	1,136,450	9,429,239
Inventory Vendors	212,381	71,238	70,638	36,410	34,115
Patient Refund	11,277			1,128	10,149
<b>as of 03/31/2013</b>	<b>518,633,201</b>	<b>737,643</b>	<b>1,981,456</b>	<b>1,489,242</b>	<b>14,424,839</b>
54 TREASURER OF	4,006,198.76				4,006,198.76
164 GUAM FEDERATI	6.00	0.50	1.00	1.00	3.50
166 CALVOS SELEC	839,170.23	139,807.76	278,772.93	281,006.57	139,582.97
	<b>839,176.23</b>	<b>139,808.26</b>	<b>278,773.93</b>	<b>281,007.57</b>	<b>139,586.47</b>
204 ANNAKUTTY MAT	13,786.14				13,786.14
249 ANTONIO L GAR	96,937.94				96,937.94
307 EDGAR M MAGCA	8,932.52				8,932.52
331 EDNA V SANTOS	40,725.15				40,725.15
302 FOMAS MILLEO	20,523.45				20,523.45
247 GLADYS LDELAN	87,914.46				87,914.46
206 GUAM ORTHOPAE	17,624.07			2,623.13	15,000.94
392 GUAM SURGICAL	4,584.93				4,584.93
258 IRLA PEDIATRI	11,541.65				11,541.65
229 JAROSLAV KUCH	112.00				112.00
319 JOEL MARC RUB	938.36				938.36
271 MA CRISTINA M	45,441.67				45,441.67
323 MARIA ANDREA	17,481.79			112.00	17,369.79
263 MEDICAL PROFE	145.12				145.12
377 MPG PEDIATRIC	35,314.26				35,314.26
212 PACIFIC MEDIC	49,323.67			2,354.03	46,969.62
237 PEDIATRIC & A	47,653.76				47,653.76
262 SDA CLINIC	74,620.17				74,620.17
328 SEAN FITZSDOM	1,020.29				1,020.29
201 SHEFF CONRAD	741.12				741.12
281 THE DOCTORS C	9,188.05		175.00	1,437.90	7,575.95
254 THE NEUROLOGY	6,488.20			344.40	6,141.80
361 YOLANDA CARRE	111,653.69			1,294.26	110,359.43
	<b>702,731.30</b>		<b>175.00</b>	<b>8,365.74</b>	<b>694,190.56</b>
406 GUAM POWER AU	352,966.93		352,966.93		
401 GTA SERVICES	150,380.50		58,832.09	414.59	91,133.82
400 GUAM WATERWOR	78,270.24	32,953.71	2,330.31	22,810.38	20,175.85
403 GUAM WATERWOR	101.58	13.21	14.57	73.58	
404 GUAM WATERWOR	-903.73	-739.34	77.05	158.36	
405 GUAM WATERWOR	1,197.44		1,197.44	-79.28	79.28
406 GUAM WATERWOR	4,861.12		2,358.09	2,303.03	
	<b>83,926.44</b>	<b>32,227.58</b>	<b>5,977.46</b>	<b>23,466.27</b>	<b>20,255.13</b>

**Bill No. 20-22 (COR) as Amended by the Author**

GAMA  
ACCOUNTS PAYABLE AS OF 3/31/2013

SUMMARY	TOTAL	0 - 30	31 - 60	61 - 90	OVER 90
1068 3M KHS0098	92,716.51	11,392.17	15,668.76	799.19	64,856.39
1003 ABBOTT LABORA	19,818.64				19,818.64
20501 ACCOUNT CONTR	-92.57		-92.57		
7310 AHR MEDICAL	479,721.80				479,721.80
8779 AIRGAS - GASP	379.44				379.44
5578 AMEROS INC	23,598.00	3,854.00	8,719.00	5,475.00	3,550.00
5869 AMERICAS BES	2,988.50	2,988.50			
7034 AMERICAN OVER	2,342.26				2,342.26
2052 AMERICAN PRIN	2,280.86	1,757.30	523.56		
1010 AMERICAN RED	348,841.00	44,162.00	107,406.00	68,220.00	129,053.00
7900 ANVMUNA	54.33	54.33			
5823 APEX ENGINEER	3.44				3.44
8335 ASHE/AMERICAN	125.00				125.00
1166 BANTER HEALTH	10,269.33	-3,682.76	397.75	13,354.34	
1188 BECKMAN COULT	5,815.48		5,815.48		
4117 BENSON GUAM E	63,082.00	1,107.93	4,327.30	3,048.59	54,400.18
50046 BLANCAFLOR MA	300.00				300.00
1183 CARUS MEDICAL	4,540.60	4,540.60			
50013 CAROLINE YAP	6,000.00	6,000.00			
4264 CARB PLUS LLC	50.23	50.23			
7147 CERNER CORPOR	263,054.13	-88,714.14			351,768.27
1223 COLLEGE OF AM	14,544.00				14,544.00
1178 COLORADO DEPT	13,923.00				13,923.00
4012 COMFORT AUTO	885.00			885.00	
6073 COMPACTIC	1,334.00	1,298.00	356.00		
2079 COMPUTERMART	2,575.00	400.00	2,175.00		
8351 CONNECT IMAGE	14,376.68				14,376.68
5079 CONSOLIDATED	173.99				173.99
4126 CONSTRUCTION	1,448.40	1,448.40			
5677 CREATIVITEES	1,528.00		1,528.00		
3044 DATA MANAGEME	10,736.00				10,736.00
5060 DELOITTE & TO	20,000.00			20,000.00	
5213 DEPO RESOURCE	1,577.50				1,577.50
4131 DETRY PUMPING	1,738.00		286.00	566.00	886.00
1021 DIAGNOSTIC LA	302,854.71		94,096.16		208,758.55
2077 DISCOUNT COMP	14,572.55	7,246.50	2,549.75	1,274.50	3,499.80
5619 DOOLEY ROBERT	8,221.90				8,221.90
8964 DR.PATRICIA T	437.50				437.50
50046 DUENAS VINCENT	1,235.00				1,235.00
4314 ECOLAB (GUAM)	387.06	387.06			
5233 ESSENTIAL CON	40,000.00		40,000.00		
5104 FISHER & ASSO	22,939.25	26,988.75	26,565.00	21,026.75	18,378.75
4292 FORMFAST INC	13,435.00		13,435.00		
5007 G4S CASH SOLU	2,000.00	2,000.00			
50012 GARRIDO JOHN	1,995.00				1,995.00
1003 GENESIS ISLAN	433,913.27	51,463.90	84,330.95	99,561.98	194,156.44
1418 GENPRO INTERN	980.00				980.00
4363 GETS BUSINESS	6,744.26			287.50	6,456.76
5696 GRAPHIC CENTE	60.00		60.00		
4273 GUAM MEDICAL	30,343.23				30,343.23
2017 GUAM MODERN O	399.00				399.00
4010 GUAM PACIFIC	2,763.48	150.48	2,613.00		
9481 HAWAII MEDICA	6,000.00				6,000.00
5087 HAWAIIAN TELC	24,508.78			24,508.78	
7840 HEALTH LINE S	10,635.00				10,635.00
8020 HEALTH SERVIC	4,446.51				4,446.51
50012 HERNANDEZ MAR	600.00				600.00
2009 HOI MING PRIN	844.56	570.66	273.90		
1027 HOSPERA WORLD	36,043.85	3,126.50	30,917.37	2,004.18	

**Bill No. 20-32 (COR) as Amended by the Author.**

GAMA  
ACCOUNTS PAYABLE AS OF 3/31/2013

SUMMARY	TOTAL	0 - 30	31 - 60	61 - 90	OVER 90
6667 I-CONNECT	486.09				486.09
5100 INDUSTRIAL HY	150.00				150.00
6640 INFOPRINT SOL	7,224.00				7,224.00
5688 INKS & GRAPH	2,385.00		2,385.00		
5815 INVERWORKINGS	21,452.31	3,883.40	6,154.67	6,031.23	5,383.01
4251 INTELLITYPE T	4,615.88		2,163.83		2,452.05
1397 INTERNATIONAL	105,076.08	2,364.46	9,911.86	30,149.77	62,649.99
1026 ISLAND EQUIPM	87,452.73	4,594.10	9,381.19	59,366.50	14,116.96
5089 IT&E OVERSEAS	527.50		527.50		
5208 IVANS	765.00		382.50	382.50	
6016 JC MARKETING	308,372.48	84,093.36	30,384.38	20,876.10	173,018.64
4177 JAMERISON	596,221.37	8,673.60	36,416.91	136,956.80	474,174.26
5903 JOHNSTONE SUP	282.30	282.30			
4175 J&B MODERN TE	3,932.50				3,932.50
2047 KEANE INC	409,979.19	63,712.05	10,782.00	73,981.32	261,503.02
1955 LANDMARK DIST	196,470.78	94,497.80	74,609.70	29,363.28	
5005 LITTLE PALM O	28,500.00		28,500.00		
1416 MID WHOLESALE	343,653.44	16,656.33	50,358.36	49,066.29	227,572.46
1231 MALLINCROTT I	996.00				996.00
50046 MANALOTO MA C	850.00				850.00
5689 MARIANAS VARI	224.00				224.00
1400 MEDPHARM	269,341.41	30,516.18	102,354.07	47,256.97	89,214.19
1348 MEDTRONIC USA	21,200.00				21,200.00
2012 MEGASYTE	730.48			517.12	213.36
2047 MEREDITH DSH	4,757.53		4,757.53		
4214 MGT CORPORATI	396.00	396.00			
2018 MICRO OFFICE	8,101.20				8,101.20
1044 MICROMED SUPP	3,850.00	3,850.00			
1049 MIDWEST MEDIC	103,934.34		787.48	34,066.46	69,080.39
4006 MOTOROLA	3,966.25		793.25	793.25	2,379.75
7475 NALCO COMPANY	3,201.27				3,201.27
1014 NATIONAL DRUG	156.60	156.60			
7010 NATIONAL ECON	900.00				900.00
7377 NATIONAL MEDI	22,000.00			22,000.00	
2001 NATIONAL OFFI	20,734.72	8,080.16	12,654.56		
1225 NOVUS PHARMAC	25,406.10	13,942.10	11,464.00		
5682 ONEDERA'S INC	5,688.99	436.50	1,458.85	2,165.77	1,627.87
1179 OREGON DEPT O	30,026.00			7,656.00	22,369.00
4047 OTIS ELEVATOR	4,372.57			4,372.57	
4301 PACIFIC GUAM	18,496.74	6,132.50	4,650.00	1,200.00	6,494.24
5115 PACIFIC LAND	222,009.03		110,835.58	87,855.25	23,318.19
4043 PACIFIC POWER	7,281.00		7,281.00		
5033 PACIFIC TECHN	1,095.51	1,095.51			
4127 PACIFIC WASTE	5,407.48	1,989.38	3,417.90		
1083 PFIZER PHARMA	16,429.64	16,429.64			
3049 PHILIPS HEALT	43,420.65				43,420.65
4240 PHIBOS	7,741.10				7,741.10
7374 PRACTICE SGH	9,000.00	9,000.00			
1031 PROGRAM SUPPO	5,366,453.10	22,031.33	168,260.39	141,163.56	5,034,997.80
4039 PROVIDER ADVA	1,800.00				1,800.00
1002 QUANTUM PHARM	27,637.52	430.00	1,046.50	6,966.30	20,074.72
5034 RADCOOM	13,994.54				13,994.54
5684 REAGAN WILSON	11,500.00		11,500.00		
7818 ROCHE DIAGNOS	804.00	804.00			
50021 ROSARIO-SANCHE	50.00	50.00			
1049 ROYAL MEDIA N	57,849.31				57,849.31
1090 RSA GUAM LLC	14,823.00		1,568.00	128.00	13,127.00
6889 SECURESAFE 50	1,200.00	1,200.00			
1018 SERIM RESEARC	2,516.81				2,516.81
1034 SIEMENS HEALT	64,677.54			64,677.54	
1133 SIEMENS MEDIC	11,843.32				11,843.32

**Bill No. 20-32 (COR) as Amended by the Author.**

GMHA  
ACCOUNTS PAYABLE AS OF 3/31/2013

SUMMARY	TOTAL	0 - 30	31 - 60	61 - 90	OVER 90
1240 SIEMENS WATER	3,735.00				3,735.00
5816 SOUTH PACIFIC	796.00	796.00			
2002 STANDARD OFFI	232.92	89.96	162.96		
4020 T-SYSTEM INC	27,495.60		27,495.60		
1417 TEAL PACIFIC	43,092.00				43,092.00
5010 TNT EXPRESS /	-949.48				-949.48
433 TREASURER OF	930.00				930.00
4195 TREASURER OF	59,762.35			3,523.30	56,239.05
451 TREASURER OF	318.56				318.56
1023 TRELLANED LLC	19,312.22		6,823.21	12,487.01	
5117 TRIPLE B FORM	6,268.61	619.71	4,333.54	1,315.36	
7375 TRUSTAFF TRAV	965,790.24				965,790.24
5723 TSANG BROTHER	2,100.00				2,100.00
8805 UNITED LITHOG	18,570.00	3,650.00	3,220.00	1,650.00	2,450.00
4091 UNITEK ENVIRO	6,590.00		300.00	6,290.00	
7248 UNIVERSITY OF	375.00				375.00
7248 UNIVERSITY OF	300.00				300.00
5000 US POSTAL SER	5,000.00	5,000.00			
7373 VISTA STAFFIN	20,158.50				20,158.50
8801 WESTERN PACIF	9,500.00		950.00	8,550.00	
1050 WESTSOURCE M	8,443.20	2,505.14	3,937.06		
2604 XEROX CORPORA	71,965.72	314.82	19,322.73	15,515.63	36,612.52
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	12,274,182.74	494,370.69	1,214,112.35	1,156,450.39	9,429,229.31
6000 COCA COLA BEV	8,466.55	3,229.34	5,237.21		
6031 DYNASTY MARKE	20,336.00	2,583.00		2,271.40	15,481.60
6004 GUAM BAKERY	2,488.35	1,825.10	663.25		
6039 ISLAND CHOICE	561.50	71.50	126.50	110.00	253.50
6055 ISLAND VIEW F	539.00				539.00
6043 IJQ INTERN	3,717.46	4,214.10	1,503.36		
6049 M H ENTERPRIS	31,607.77	7,527.82	2,745.85	14,840.60	6,493.50
6015 MARKET WHOLE	3,982.27	1,306.06	2,596.21		
6020 MICRONESIAN B	51,673.16	22,504.54	27,349.16		1,819.44
6010 PACIFIC PRODU	65,420.43	20,988.47	18,626.70	18,153.72	7,651.54
6021 PAY-LESS MARK	3,395.32		484.14	1,034.14	1,877.04
6012 PEPSI OLA BO	816.73	816.73			
6009 QUALITY DISTR	1,225.82	1,225.82			
6017 SUNNY WHOLESA	16,078.90	4,793.50	11,285.40		
6003 TAI FA IMPORT	72.00	72.00			
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	212,381.26	71,238.00	70,617.80	36,409.86	34,115.62
30009 CAREFIRST BLU	5,839.52				5,839.52
30009 FEDELA CRUZ M	363.28			363.28	
30009 INTERNATIONAL	1,358.00				1,358.00
30009 TRICARE	1,068.00				1,068.00
30009 TRICARE	518.72				518.72
30009 VICENTE DIEGO	100.00			100.00	
30009 WENHAO HUANG	662.26			662.26	
30009 WPS TRICARE	1,364.94				1,364.94
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	11,276.72			1,127.54	10,149.18

Bill No. 20-32 (COR) as Amended by the Author,  
and as **Substituted** by the **Committee on Health &  
Human Services, Health Insurance Reform, Economic  
Development, and Senior Citizens.**

**MINA' TRENTAI DOS NA LIHESLATURAN GUAHAN  
2013 (FIRST) Regular Session**

Bill No. 20-32 (COR) as Amended by the Author,  
and as **Substituted** by the  
**Committee on Health & Human Services,  
Health Insurance Reform, Economic Development, and  
Senior Citizens.**

Introduced by:

**D.G. RODRIGUEZ, JR.**

**AN ACT TO ESTABLISH A HEALTHCARE TRUST AND  
DEVELOPMENT FUND, BY ADDING A NEW CHAPTER 97  
TO TITLE 10, GUAM CODE ANNOTATED, AND  
AUTHORIZING THE EXPENDITURE OF MONIES IN THE  
FUND FOR THE SPECIFIC PURPOSE OF PAYING THE  
OUTSTANDING DEBT PAYABLES OF THE GUAM  
MEMORIAL HOSPITAL AUTHORITY, AND ESTABLISHING  
AND FUNDING A GMHA URGENT HEALTHCARE CENTER  
FOR NON-EMERGENCY PATIENTS; THIS ACT TO BE  
CITED AS *“THE GMHA HEALTHCARE TRUST AND  
DEVELOPMENT ACT OF 2013.”***

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

2 **Section 1. Legislative Findings and Intent:** *I Liheslaturan Guåhan* finds  
3 that the Guam Memorial Hospital Authority is seriously underfunded, resulting in  
4 consistent, chronic shortages in all operational areas that jeopardize the ability of  
5 Guam Memorial Hospital to adequately fulfill its mission.

6 The full scope and negative impact of the Guam Memorial Hospital  
7 Authority's outstanding debts, in excess of \$23,000,000 dollars, came to light

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and as **Substituted by the Committee on Health &  
Human Services, Health Insurance Reform, Economic  
Development, and Senior Citizens.**

1 during the *Joint Status Hearing* conducted by the Committee on Health & Human  
2 Services and the Committee on Finance, on April 18, 2012. *I Liheslaturan*  
3 *Guåhan further* finds that in 2012, the federally approved discount provider for  
4 medical supplies intercepted approximately \$500,000.00 (taken from Medicare  
5 reimbursements through the U.S. Treasury), for non-payment of GMHA's debt. In  
6 March 2013, GMHA paid \$5,000,000 of its outstanding obligations using  
7 Compact-Impact funds, thus reducing its obligation to approximately \$18,000,000  
8 as of March 31, 2013.

9 At the urging of the hospital administration, and with the support of the  
10 GMHA Board of Trustees and the Executive Branch of the government of Guam,  
11 it is the intent of *I Liheslaturan Guåhan* to address this lack of funding and to  
12 identify and provide additional sources of funding for the hospital.

13 It is the intent of *I Liheslaturan Guåhan* that this additional funding will be  
14 to deposited into 'GMHA Healthcare Trust and Development Fund', apart and  
15 separate from all other funds and accounts of the government of Guam to facilitate  
16 and supplement the development and maintenance of Guam Memorial Hospital.

17 In the expenditure of GMHA HealthCare Trust and Development Fund  
18 monies, it is the intent of *I Liheslaturan Guåhan* that the first priority in the  
19 expenditure of Fund monies will be to extinguish the existing hospital debt, as per  
20 Exhibit "A" appended to this Act, by way of a line of credit, a revolving loan fund,  
21 and/or a direct loan agreement, secured and paid with a funding commitment from  
22 the Fund.

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Human Services, Health Insurance Reform, Economic  
Development, and Senior Citizens.**

1            *I Liheslaturan Guåhan* further finds that in addition to paying off the  
2 existing hospital debt as expeditiously as possible will afford hospital  
3 administration and the GMHA Board of Trustees the opportunity to address long  
4 term, systemic problems at the hospital which, in addition to the gross  
5 underfunding from the government of Guam, have also contributed to the  
6 accumulation of such a large debt.

7            These problems include, but are not limited too, the disproportionately high  
8 percentage of non-emergency, urgent care services provided by the Emergency  
9 Services (ER) Department; the lack of a viable, efficient pharmaceutical utilization  
10 and treatment tracking computer system (and software) for procurement, billing  
11 and collection purposes; and the need to establish management and operational  
12 reform practices.

13            *I Liheslaturan Guåhan* further finds that Public Law 27-77 directed the  
14 Compiler of Laws in §1610 and published all rules and regulations or amendments  
15 thereto received prior to the commencement codified in *Bente Siete Na*  
16 *Liheslaturan Guahan*. Those regulations include the gaming regulations found in  
17 Section 3 GAR §7001.

18            *I Liheslaturan Guåhan* finds the revenues to be generated from the licensing,  
19 fees, gross receipts taxes, and income taxes, and a new special assessment fee paid  
20 by the gaming industry will greatly benefit Guam Memorial Hospital.

21            *I Liheslaturan Guåhan further* finds that after approximately a 5-year period  
22 during which licenses for certain gaming machines were not issued, the



Bill No. 20-32 (COR) as Amended by the Author,  
and as **Substituted by the Committee on Health &  
Human Services, Health Insurance Reform, Economic  
Development, and Senior Citizens.**

1 government of Guam missed the opportunity to collect a minimum \$6,500,000  
2 dollars in GRT and licensing fees over that period, which does not even account  
3 for other revenue factors such as income taxes, withholding taxes, etc. In April  
4 2013, *I Liheslaturan Guahan* further finds these machines were again eligible for  
5 licensure and operation pursuant to 3 GAR Section 7114 and subsequently issued  
6 regulatory licenses by the Department of Revenue and Taxation.

7 Income tax, gross receipt taxes, licensing fees, and a new Four (4%) GMHA  
8 Trust Fee assessment from these recently licensed devices are considered new  
9 revenue to the government of Guam. It is the intent of *I Liheslaturan Guahan* to  
10 capture and retain these revenues exclusively to subsidize the Guam Memorial  
11 Hospital Authority's effort to eliminate its longstanding debt to vendors and to  
12 start the establishment of an GMHA operated outpatient Urgent Healthcare Center.

13 *I Liheslaturan Guahan* finds that a disproportionately high percentage of  
14 services being provided by the Guam Memorial Hospital Authority emergency  
15 room are dedicated to non-emergency medical services, as compared to normal,  
16 dedicated emergency room services. Further, these non-emergency medical  
17 services are more costly to provide within the setting of an emergency room, and  
18 should more appropriately be available through a private medical clinic, or, by way  
19 of an *Urgent Care Center*. *I Liheslaturan Guahan* takes due note of the GMHA  
20 report on emergency room utilization for the year 2010, during which the 19,291  
21 non-emergent cases exceeded the 8,785 actual emergency cases. Of the \$28.7  
22 Million in costs of going to the emergency room for 2010, 68.5% or \$19.6 Million  
23 was for non-emergent cases.



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Human Services, Health Insurance Reform, Economic  
Development, and Senior Citizens.**

1 monies in the Fund dedicated and dispersed for purposes specified in this  
2 Act, ***shall not*** be subject to the transfer authority of *I Maga'lahan Guåhan*.

3 (b) The Fund shall be financed by:

4 (i) licensing fees, GRT, and income tax collected from the companies  
5 involved in gaming as provided by 3 GAR §7001 et seq. This  
6 includes those electronic gaming devices referred to in §7114(a)(5)  
7 and licensed per 11 GCA, Chapter 22, Article 2. These devices shall  
8 be known as the Liberty, Symbolix, and Match Play electronic gaming  
9 devices and only those registered with the Department of Revenue of  
10 Taxation prior to August 1, 2001, pursuant to 3 GAR §7114 (a)(5).

11 (ii) Notwithstanding any other provision of law, the collection of a  
12 special four percent (4%) assessment fee on income on all gaming  
13 devices authorized to be licensed pursuant to 11 GCA §22202 (f) and  
14 3 GAR §7114(a)(5), to be known as the “*GMHA Trust Fund Fee*”.

15 (c) The Department of Revenue and Taxation (hereinafter the *Department*)  
16 shall collect such fees and transmit them to the Treasurer of Guam for  
17 deposit into the Fund. The Department shall:

18 (i) Develop the necessary forms and instructions for the licensing of  
19 persons and companies as set forth in 3 GAR §7001 and §97102

20 (b)(i)(ii) and of this Act;

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and as Substituted by the Committee on Health &  
Human Services, Health Insurance Reform, Economic  
Development, and Senior Citizens.

1 (ii) Act as the repository for the Fund for use as authorized pursuant to  
2 this Article in carrying out the purpose of the Fund.

3 (d) The Department of Administration shall be the disbursing and certifying  
4 officer for the Fund, and shall comply with the provisions of Chapter 14 of  
5 Title 46, Guam Code Annotated. The Director of Administration shall  
6 maintain appropriate records of the Fund and shall provide accounting and  
7 auditing services for the Fund.

8 (i) The Department of Administration *shall* disperse funds in a manner  
9 compliant with §97105 of this Chapter.

10 **§ 97103. Allocations and Use of Funds; Authorized.**

11 (a) Not less than seventy-five percent (75%) of the funds deposited into  
12 the GMHA Healthcare Trust and Development Fund shall first be utilized by the  
13 Guam Memorial Hospital Authority to obtain a line of credit, a revolving loan  
14 fund, and/or a direct loan agreement to retire their outstanding prior year debt to  
15 GMHA House Doctors, healthcare service providers, pharmaceutical suppliers,  
16 vendors, and all other payables, as per Exhibit "A" appended to this Act, and for  
17 that specific purpose, the fees collected pursuant to this Article shall be annually  
18 allocated and are is hereby APPROPRIATED, and SHALL CONTINUE TO BE  
19 DEEMED APPROPRIATED, ANNUALLY, to the Guam Memorial Hospital  
20 Authority for the sole and specific purpose of paying the debt service for the line of  
21 credit, revolving loan fund, and/or a direct loan agreement to retire their

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Human Services, Health Insurance Reform, Economic  
Development, and Senior Citizens.**

1 outstanding prior year debt obligations. This shall continue and shall remain in full  
2 force and effect until specifically revoked or amended pursuant to law.

3 (b) As fees are received and deposited into the Fund, a pro-rata share of  
4 available funds shall subsequently be transferred to the Guam Memorial Hospital  
5 Authority.

6 The Guam Memorial Hospital Authority shall establish a bank account apart  
7 and separate from all other bank accounts of GMHA and the government of Guam,  
8 and *shall* deposit all funds allocated and appropriated pursuant to this Subsection  
9 into the account, and from which such funds shall only be drawn upon for the sole  
10 and specific purpose of debt service payments for the line of credit, revolving loan  
11 fund, and/or a direct loan agreement.

12 (c) Up to twenty Thirty Percent (20%), of the funds in the GMHA  
13 Healthcare Trust and Development Fund, shall be allocated to the Guam Memorial  
14 Hospital Authority for the purpose of subsidizing the establishment and operation,  
15 in whole or part, including as seed or start-up money, of an Urgent Healthcare  
16 ~~Medical~~ Center within the Guam Memorial Hospital Authority facility and  
17 grounds. The fees collected pursuant to this Article shall be annually allocated and  
18 is hereby APPROPRIATED, and SHALL CONTINUE TO BE DEEMED  
19 APPROPRIATED, ANNUALLY, to the Guam Memorial Hospital Authority for  
20 the sole and specific purpose of subsidizing the establishment and operation, in  
21 whole or part, including as seed or start-up money, of an Urgent Healthcare  
22 Medical Center within the Guam Memorial Hospital Authority facility and  
23 grounds. This shall continue and shall remain in full force and effect until  
24 specifically revoked or amended pursuant to law.

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Human Services, Health Insurance Reform, Economic  
Development, and Senior Citizens.**

1 (d) After the final payment are first made to the Guam Memorial Hospital  
2 Authority for the purposes completing its financial obligations provided for in  
3 §97103(a), all fees received pursuant to §97102 (b)(i)(ii) of this Act shall continue  
4 in full force and effect and be used for the operations of the Guam Memorial  
5 Hospital Authority pursuant to §97103(c).

6 (e) Fees received, pursuant to this § 97103 *shall not* be subject to the  
7 transfer authority of *I Maga'lahan Guåhan*, nor may they be expended for  
8 purposes not specifically provided for pursuant to this Chapter.

9

10 **§ 97104. Submission of Detailed Report of Expenditures on a Quarterly**

11 **Basis.** The Administrator of the Guam Memorial Hospital Authority shall submit  
12 to *I Liheslaturan Guåhan* and *I Maga'lahan Guåhan* a detailed report of the  
13 expenditures of the GMHA Healthcare Trust and Development Fund on a quarterly  
14 basis.

15 **Section 3. Authorization to Borrow; Guam Memorial Hospital**  
16 **Authority.** A new Subsection (v) is hereby added to §80109, Chapter 80, Division  
17 4, Title 10, Guam Code Annotated, to read:

18 "(v) Arrange a line of credit, a revolving loan fund, and/or a direct loan, the  
19 total cumulative amount *not to exceed* Eighteen Million Dollars (\$18,000,000),  
20 with banks or other lending institutions licensed to do business on Guam. All  
21 terms of the line of credit, a revolving loan fund, and/or a direct loan agreement  
22 *shall* be negotiated by the Guam Memorial Hospital Authority and *I Maga'lahan*

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Development, and Senior Citizens.**

1 *Guåhan* [Governor] in the best interests of the people of Guam, through and with  
2 the assistance of the Guam Economic Development Authority (GEDA). The terms  
3 of the line of credit, a revolving loan fund, and/or a direct loan *shall* include the  
4 following:

5 (1) the line of credit, a revolving loan fund, and/or a direct loan *shall*  
6 be solely used by the Authority to retire outstanding prior year debt to  
7 GMHA House Doctors, healthcare service providers, pharmaceutical  
8 suppliers, vendors, and all other payables, as per Exhibit “A”, and  
9 provided that the loan *shall not* be used for other purposes, except as  
10 further provided pursuant to this Subsection (v);

11 (2) *no* charge *shall* be levied by a lender for making the loan;

12 (3) the interest rate *shall* be subjected to negotiation between GEDA,  
13 the Board of Trustees, *I Maga’lahan Guåhan* and the lender; such  
14 interest rate *shall* be computed on a monthly average and based on the  
15 actual amount extended to the GEDA; and

16 (4) interest earned by the lender *shall* be exempt from taxation by the  
17 government of Guam.

18 (5) *I Maga’lahen Guåhan* is authorized to pledge funds which Guam  
19 *shall* receive from §97103(a) of Chapter 97, Title 10, Guam Code  
20 Annotated, as a security for repayment of the loan, in addition to any  
21 revenues which may be pledged by the Authority. *I Maga’lahan*

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Development, and Senior Citizens.**

1            *Guåhan* and the Authority are hereby-authorized to execute the loan  
2            agreement, a revolving loan fund, and/or a direct loan agreement and  
3            other necessary documentation.

4            (6) The line of credit authorized in this Act *shall not* be used in the  
5            calculation for rate relief in any rate methodology for any rate-case  
6            before the Public Utilities Commission.

7            (7) The Guam Memorial Hospital Authority shall pledge all or part of  
8            its revenues from the GMHA Healthcare Trust and Development  
9            Fund as the primary source of repayment for the line of credit,  
10           revolving loan fund, and/or a direct loan, as authorized and  
11           appropriated pursuant to §97103(a) of Chapter 97, Division 2, Title  
12           10, Guam Code Annotated. If required, the Authority may pledge, in  
13           addition, only its revenues as a security for repayment as determined  
14           by the negotiated agreement.

15           (8) Any money borrowed *shall* be repaid in accordance with the terms  
16           established in the negotiated agreement, but *not to exceed* an initial  
17           amortization period of more than fifteen (15) years. In *no case shall*  
18           any amount borrowed be refinanced permitting repayment *more than*  
19           twenty (20) years after the loan is made.

20           (9) Notwithstanding the provisions of Chapter 6 of Title 5 of the  
21           Guam Code Annotated, the government of Guam hereby waives  
22           immunity from any suit or action in contract upon the loan and



1 guaranty but *does not* waive sovereign immunity as to the personal  
2 liability of elected or appointed officials and employees of the  
3 government Guam."

4 **Section 4. GMHA Urgent Healthcare Center.**

5 **(a) Legislative Intent.**

6 It is the *intent* of *I Liheslaturan Guåhan* to mandate the establishment and  
7 operation of an outpatient Urgent Healthcare Center within the GMHA facility  
8 premise.

9 **(b)** A new §80122 is hereby added to Chapter 80 of Division 4, Title 10,  
10 Guam Code Annotated, to read:

11 **“§80122. Urgent Healthcare Center, Established.**

12 **(a)** The Guam Memorial Hospital Authority *shall* establish, within the  
13 premises of the hospital facility, an Urgent Healthcare Medical  
14 Services Center, for non- emergency outpatient medical services.  
15 The urgent care center shall serve as a center to treat patients who  
16 have an injury or illness that requires immediate care, but are not  
17 apparently serious enough to require emergency room attention.

18 **(b)** Criteria for Urgent Healthcare Center. Urgent Healthcare Center shall  
19 seek to develop and maintain a standard of medical care that  
20 meets the minimum criteria and requirements for primary care or

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1 urgent care services, as set forth by the Joint Commission and the  
2 CMS.

3 (c) The Guam Memorial Hospital Authority (GMHA) *shall* within thirty  
4 (30) days of enactment of this Act: establish a working group  
5 comprised of the necessary expertise, including the chairman of  
6 the GMHA Emergency Medicine Department or his designee to  
7 develop:

8 (1) Urgent Care Center operational criteria;

9 (2) identify adequate, available space for the establishment of the  
10 or Urgent Care Center; and,

11 (3) a plan of action, inclusive of the financial requirements to  
12 commence the requisite processes necessary for GMHA to  
13 establish an Urgent Care Center.

14  
15 (d) Within ninety (90) days of the establishment of the working group,  
16 the administrator shall present a report addressing items (1), (2)  
17 and (3) of subsection (c) to the GMHA Board of Trustees for  
18 their approval of the execution to establish the Urgent Healthcare  
19 Center.

Bill No. 20-32 (COR) as Amended by the Author,  
and as **Substituted by the Committee on Health &  
Human Services, Health Insurance Reform, Economic  
Development, and Senior Citizens.**

1 (e) The Administrator, shall upon approval of the plan of action by the  
2 GMHA Board of Trustees submit to *I Liheslaturan Guahan* a  
3 copy of the final report.

4 **Section 5. Exhibit “A”.** Exhibit “A”, appended to and incorporated in this  
5 Act, listing the Guam Memorial Hospital Authority’s outstanding obligations, is  
6 adopted, provided, however, GMHA shall update the listing to reflect the  
7 outstanding payables due as of the date of enactment of this Act, which shall be the  
8 listing of payables authorized to be extinguished pursuant to this Act.

9 **Section 6. §22202 (f) Chapter 22, Title 11, Guam Code Annotated is**  
10 **hereby amended to read:**

11 (f) electronic gaming devices authorized by 3 GAR §7114(a)(5), registered  
12 and licensed by the Department of Revenue and Taxation as of August 1,  
13 2001, shall be assessed an annual licensing fee of Five Hundred Twenty  
14 Five Dollars (\$525.00) commencing 1 July, 2013. A Twenty Five Dollar  
15 (\$25.00) increase in licensing fees shall be assessed per device every year  
16 thereafter; to wit devices known as the Liberty, Symbolix, and Match  
17 Play.

18 ~~(f) on each video type symbolic amusement machine or any~~  
19 ~~other amusement device that is not listed in this Section, Five Hundred~~  
20 ~~Dollars (\$500.00);~~

21 **Section 7. Severability.** *If* any provision of this Act or its application to  
22 any person or circumstance is found to be invalid or contrary to law, such

Bill No. 20-32 (COR) as Amended by the Author,  
and as **Substituted by the Committee on Health &  
Human Services, Health Insurance Reform, Economic  
Development, and Senior Citizens.**

1    invalidity shall *not* affect other provisions or applications of this Act which can be  
2    given effect without the invalid provisions or application, and to this end the  
3    provisions of this Act are severable.

4            **Section 8. Effective Date.** This Act shall become immediately effective  
5    upon enactment.

Bill No. 20-32 (COR) as Amended by the Author,  
and as **Substituted by the Committee on Health &  
Human Services, Health Insurance Reform, Economic  
Development, and Senior Citizens.**

## Exhibit “A”

for

***“GMHA HEALTHCARE TRUST AND  
DEVELOPMENT ACT OF 2013”***

**Bill No. 20-32 (COR) as Amended by the Author,  
and as Substituted by the Committee on Health &  
Human Services, Health Insurance Reform, Economic  
Development, and Senior Citizens.**

GMHA  
ACCOUNTS PAYABLE AS OF 3/31/2013

SUMMARY	TOTAL	0 - 30	31 - 60	61 - 90	OVER 90
Payroll Payables	839,176	139,808	278,774	281,008	139,586
- GOV RET-DEP					
- GOV RET-DCP					
- DEPT OF REV 465	4,006,199				4,006,199
GPA	352,967		352,967		
GTA	150,381		38,832	433	91,114
GWA	83,926	31,228	5,977	21,466	26,255
House Doctors	702,731		173	8,366	684,191
Vendor Payables	11,274,163	494,371	1,214,112	1,136,430	9,429,250
Dietary Vendors	212,381	71,238	70,618	36,430	34,116
Pericare Refund	11,277			1,128	10,149
<b>as of 03/31/2013</b>	<b>118,633,201</b>	<b>737,645</b>	<b>1,981,456</b>	<b>1,469,242</b>	<b>14,424,859</b>
<b>54 TREASURER OF</b>	<b>4,006,198.76</b>				<b>4,006,198.76</b>
164 GUAM FEDERATI	6.00	0.50	1.00	1.00	3.50
166 CALVO'S SELEC	839,170.23	139,807.76	278,772.93	281,007.57	139,582.97
	<b>839,176.23</b>	<b>139,808.26</b>	<b>278,773.93</b>	<b>281,007.57</b>	<b>139,586.47</b>
224 ANNAKUTTY MAT	13,786.14				13,786.14
249 ANTONIO L GAR	96,957.94				96,957.94
307 EDGAR M MAGGA	8,932.52				8,932.52
231 EDNA V SANTOS	40,725.15				40,725.15
202 FOMAS MELLICO	20,523.45				20,523.45
247 GLADYS LINSAN	87,914.48				87,914.48
206 GUAM ORTHOPA	17,624.07			2,623.13	15,000.94
392 GUAM SURGICAL	4,584.95				4,584.95
256 ISLA PEDIATRI	11,541.65				11,541.65
229 JAROSLAV RICH	112.00				112.00
319 JOEL MARC RUI	958.36				958.36
271 MA CRESTINAM	45,441.67				45,441.67
323 MARIA ANDREA	17,481.79			112.00	17,369.79
265 MEDICAL PROFE	145.12				145.12
377 MPG PEDIATRIC	33,314.26				33,314.26
212 PACIFIC MEDIC	49,323.67			2,554.05	46,769.62
237 PEDIATRIC & A	47,653.76				47,653.76
282 SDA CLINIC	74,620.17				74,620.17
328 SEAN FITZSIMON	1,020.29				1,020.29
201 SHEFF CONRAD	741.12				741.12
281 THE DOCTORS C	9,186.83		175.00	1,437.90	7,573.93
254 THE NEUROLOGY	6,486.20			344.40	6,141.80
361 YOLANDA CARRE	111,653.69			1,294.26	110,359.43
	<b>702,731.30</b>		<b>175.00</b>	<b>8,363.74</b>	<b>694,190.56</b>
400 GUAM POWER AU	352,966.93		352,966.93		
401 GTA SERVICES	110,380.50		38,832.09	414.59	91,133.82
402 GUAM WATERWOR	78,270.23	32,953.71	2,330.31	22,810.58	20,175.63
403 GUAM WATERWOR	101.36	13.21	14.37	73.38	
404 GUAM WATERWOR	-503.73	-789.34	77.05	158.56	
405 GUAM WATERWOR	1,197.44		1,197.44	-79.28	79.28
406 GUAM WATERWOR	4,881.12		2,358.09	2,503.03	
	<b>83,926.44</b>	<b>32,227.38</b>	<b>5,977.46</b>	<b>23,466.27</b>	<b>20,255.13</b>

**Bill No. 20-32 (COR) as Amended by the Author,  
and as Substituted by the Committee on Health &  
Human Services, Health Insurance Reform, Economic  
Development, and Senior Citizens.**

GNCHA  
ACCOUNTS PAYABLE AS OF 3/31/2013

SUMMARY	TOTAL	0 - 30	31 - 60	61 - 90	OVER 90
1066 IM KHS0094	92,716.51	11,392.17	15,668.76	799.19	64,856.39
1009 ABBOTT LABORA	19,818.64				19,818.64
20501 ACCOUNT CONTR	-92.57		-92.57		
7310 AHR MEDICAL	479,721.80				479,721.80
8779 AIRGAS - GASP	379.44				379.44
1578 AMEROS INC	23,598.00	5,654.00	8,719.00	5,475.00	3,550.00
3869 AMERICAN RES	2,988.50	2,988.50			
7034 AMERICAN OVER	2,342.26				2,342.26
2032 AMERICAN PRIN	2,280.84	1,757.50	523.34		
1010 AMERICAN RED	348,841.00	44,162.00	107,496.00	68,220.00	129,013.00
7900 ANN MUNA	54.33	54.33			
3825 APEN ENGINEER	3.44				3.44
8335 ASHE AMERICAN	125.00				125.00
1166 BANTER HEALTH	10,269.33	-3,682.76	597.75	13,354.34	
1168 BECKMAN COULT	5,815.48		5,815.48		
4117 BENSON GUAM E	63,082.00	1,107.93	4,527.30	3,046.59	54,400.18
50046 BLANCAFLOR MA	300.00				300.00
1182 CARIS MEDICAL	4,540.60	4,540.60			
50013 CAROLINE YAP	6,000.00	6,000.00			
4264 CARS PLUS LLC	50.23	50.23			
7147 CERNER CORPOR	263,054.13	-83,714.14			311,768.27
1123 COLLEGE OF AM	14,544.00				14,544.00
1178 COLORADO DEPT	13,923.00				13,923.00
4012 COMFORT AUTO	685.00			685.00	
6073 COMPACIFIC	1,534.00	1,298.00	236.00		
2079 COMPUTER MART	2,575.00	490.00	2,175.00		
8351 CONNECT DASH	14,376.68				14,376.68
3079 CONSOLIDATED	173.99				173.99
4126 CONSTRUCTION	1,448.40	1,448.40			
5677 CREATIVITEES	1,528.00		1,528.00		
3044 DATA MANAGEME	10,536.00				10,536.00
3060 DELCOTTE & TO	20,000.00			20,000.00	
5213 DEPO RESOURCE	1,577.50				1,577.50
4131 DETRY PUMPENG	1,738.00		286.00	566.00	886.00
1021 DIAGNOSTIC LA	302,854.71		94,096.16		208,758.55
2077 DISCOUNT COMP	14,572.55	7,248.50	2,549.75	1,274.30	3,499.80
3619 DOOLEY ROBERT	8,221.90				8,221.90
8964 DR. PATRICIA I	437.50				437.50
50048 DUENAS VINCENT	1,235.00				1,235.00
4314 ECOLAB (GUAM)	387.06	387.06			
5133 ESSENTIAL CON	40,000.00		40,000.00		
5104 FISHER & ASSO	28,998.75	26,998.75	26,565.00	21,025.75	18,378.75
4292 FORNFAST INC	13,435.00		13,435.00		
3007 GHS CASH SOLU	2,000.00	2,000.00			
50012 GARRIDO JOHN	1,995.00				1,995.00
1001 GENENS ISLAN	433,913.27	55,463.90	64,330.95	99,961.98	104,156.44
1418 GENPRO INTERN	980.00				980.00
4365 GETS BUSINESS	6,744.26			287.50	6,456.76
5696 GRAPHIC CENTE	60.00		60.00		
4275 GUAM MEDICAL	30,343.23				30,343.23
2017 GUAM MODERN O	399.00				399.00
4010 GUAM PACIFIC	2,763.48	150.48	2,613.00		
9481 HAWAII MEDICA	6,000.00				6,000.00
5087 HAWAIIAN TELC	24,508.78			24,508.78	
7840 HEALTH LINE S	10,635.00				10,635.00
8020 HEALTH SERVIC	4,446.51				4,446.51
70012 HERNANDEZ MAR	600.00				600.00
2009 HOUMING PRIN	544.56	570.96	273.60		
1027 HOSPERA WORLD	56,043.85	3,126.50	30,911.17	2,004.18	

**Bill No. 20-32 (COR) as Amended by the Author,  
and as Substituted by the Committee on Health &  
Human Services, Health Insurance Reform, Economic  
Development, and Senior Citizens.**

GMHA  
ACCOUNTS PAYABLE AS OF 3/31/2013

SUMMARY	TOTAL	0 - 30	31 - 60	61 - 90	OVER 90
8667 I-CONNECT	486.09				486.09
8180 INDUSTRIAL HY	150.00				150.00
8849 INFOPRINT SOL	7,224.00				7,224.00
3688 INKS & GRAPHI	2,383.00		2,383.00		
3815 INKJETWORKINGS	21,452.31	3,883.40	6,154.67	6,031.23	5,383.01
4251 INTELLITYPE T	4,613.88	2,183.83			2,430.05
1397 INTERNATIONAL	103,076.08	2,364.46	9,911.86	30,149.77	62,649.99
1036 ISLAND EQUIPM	87,452.73	4,594.10	9,383.19	59,360.30	14,115.14
9089 IT&E OVERSEAS	527.50		527.50		
5208 IVANS	765.00		382.50	382.50	
6016 JC MARKETING	306,372.48	84,093.36	30,384.38	20,876.10	173,018.64
4177 J&B-EDISON	596,221.37	8,873.60	36,416.91	136,956.80	414,174.06
5903 JOHNSTONE SUP	282.30	282.30			
4175 J&B MODERN TE	3,932.50				3,932.50
2047 KEANE INC	409,979.19	63,711.01	10,782.00	73,981.12	263,505.06
1935 LANDMARK DIST	198,470.78	94,497.80	74,609.70	29,363.28	
3003 LITTLE PALM O	28,500.00		28,500.00		
1416 MID WHOLESALE	343,653.44	16,656.33	50,358.36	49,086.29	227,552.46
1231 MALLINGRODT I	996.00				996.00
30046 MANALOTO MA C	850.00				850.00
3689 MARIANAS VARI	224.00				224.00
1400 MEDPHARM	269,341.41	30,516.18	102,354.07	47,256.97	89,214.19
1348 MEDTRONIC USA	21,200.00				21,200.00
2012 MEGABYTE	730.46		517.32		213.14
3067 MEREDITH DIGI	4,737.55		4,737.55		
4214 MGT CORPORATI	396.00	396.00			
2018 MICRO OFFICE	8,101.20				8,101.20
1044 MICROMED SUPP	3,850.00	3,850.00			
1049 MIDWEST MEDIC	103,934.34		787.49	34,066.46	69,080.39
4006 MOTOROLA	3,966.25		793.25	793.25	2,379.75
7473 NALCO COMPANY	3,201.27				3,201.27
1014 NATIONAL DRUG	156.80	156.80			
7010 NATIONAL ECOS	900.00				900.00
7377 NATIONAL MEDI	22,000.00			22,000.00	
2001 NATIONAL OFFI	20,734.72	8,080.16	12,654.56		
1223 NORTS PHARMAC	25,406.10	13,942.10	11,464.00		
5682 ONEDERA'S INC	5,688.89	436.50	1,458.83	2,185.77	1,627.87
1179 OREGON DEPT O	30,020.00			7,636.00	22,384.00
4047 OTIS ELEVATOR	4,372.57			4,372.57	
4301 PACIFIC GUAM	18,496.74	6,152.50	4,650.00	1,200.00	6,494.24
5113 PACIFIC LAND	212,009.03		110,833.59	87,833.25	23,318.19
4045 PACIFIC POWER	7,281.00		7,281.00		
5033 PACIFIC TECHN	1,093.31	1,093.31			
4127 PACIFIC WASTE	3,407.48	1,589.58	3,417.90		
1083 PFIZER PHARMA	16,429.64	16,429.64			
3049 PHILIPS HEALT	43,420.63				43,420.63
4160 PMBCS	7,741.10				7,741.10
7374 PRACTICE SIGH	18,000.00	9,000.00			9,000.00
1031 PROGRAM SUPPO	3,366,473.10	22,031.33	168,260.39	141,183.36	3,034,997.92
4039 PROVIDER ADVA	1,800.00				1,800.00
1002 QUANTUM PHARM	27,657.52	450.00	1,046.50	6,066.30	20,074.72
3034 RADIODCOM	13,994.54				13,994.54
5684 REAGAN WILSON	11,500.00		11,500.00		
7818 ROCHE DIAGNOS	804.00	804.00			
50021 ROSARRO-SANCH	50.00	50.00			
1069 ROYAL MEDIAN	57,849.31				57,849.31
1090 R.S.A. GUAM LLC	14,823.00		1,568.00	126.00	13,129.00
8889 SECURESAFE SO	1,200.00	1,200.00			
1018 SERIM RESEARC	2,516.81				2,516.81
1034 SIEMENS HEALT	64,677.54			64,677.54	
1133 SIEMENS MEDIC	11,843.32				11,843.32



**Bill No. 20-32 (COR) as Amended by the Author,  
and as Substituted by the Committee on Health &  
Human Services, Health Insurance Reform, Economic  
Development, and Senior Citizens.**

GMHA  
ACCOUNTS PAYABLE AS OF 3/31/2013

SUMMARY	TOTAL	0 - 30	31 - 60	61 - 90	OVER 90
1240 SIEMENS WATER	3,735.00				3,735.00
3816 SOUTH PACIFIC	796.00	796.00			
3002 STANDARD OFFI	232.92	89.96	162.96		
4020 T-SYSTEM INC	27,495.60		27,495.60		
1417 TEAL PACIFIC	43,092.00				43,092.00
5010 TNY EXPRESS /	-949.48				-949.48
453 TREASURER OF	930.00				930.00
4195 TREASURER OF	59,762.35			3,523.30	56,239.05
451 TREASURER OF	318.56				318.56
1023 TRELAMED LLC	19,312.22		6,823.21	12,487.01	
5117 TRIPLE B FORW	6,268.61	619.71	4,333.54	1,315.36	
7375 TRUSTAFF TRAV	965,790.24				965,790.24
5723 TSANG BROTHER	2,100.00				2,100.00
8305 UNITED LITHOG	10,570.00	3,850.00	3,220.00	1,000.00	2,450.00
4091 UNITEK ENVIRO	6,590.00		300.00	6,290.00	
7248 UNIVERSITY OF	373.00				373.00
7248 UNIVERSITY OF	300.00				300.00
5000 US POSTAL SER	5,000.00	5,000.00			
7373 VISTA STAFFIN	20,158.50				20,158.50
8801 WESTERN PACIF	9,500.00		900.00	8,550.00	
1050 WESTSOURCE M	8,442.20	2,505.14	5,937.06		
2004 XEROX CORPORA	71,865.72	314.82	19,522.73	15,515.65	36,612.52
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	12,274,162.74	494,370.69	1,214,112.33	1,136,450.39	6,429,229.31
6000 COCA COLA BEV	8,486.33	3,229.34	5,237.21		
6031 DYNASTY MARKE	20,336.00	2,583.00		2,271.40	15,481.60
6004 GUAM BAKERY	2,488.35	1,825.10	663.25		
6039 ISLAND CHOICE	961.50	71.50	126.50	110.00	253.50
6035 ISLAND VIEW F	539.00				539.00
6063 J.J.Q. INTERN	5,717.46	4,214.10	1,503.36		
6048 M H ENTERPRIS	31,607.77	7,527.82	2,745.85	14,840.60	6,493.50
6013 MARKET WHOLES	3,982.27	1,386.06	2,596.21		
6020 MICRONESIAN B	51,673.16	22,504.54	27,349.18		1,819.44
6010 PACIFIC PRODU	63,420.43	20,988.47	18,626.70	18,133.72	7,651.54
6021 PAY-LESS MARK	3,393.32		484.14	1,034.14	1,875.04
6012 PEPSI COLA BO	816.75	816.75			
6009 QUALITY DISTR	1,225.82	1,225.82			
6017 SUNNY WHOLESA	16,078.90	4,793.50	11,285.40		
6003 TAI FA IMPORT	72.00	72.00			
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	212,381.28	71,238.00	70,617.80	26,499.86	34,115.62
30009 CAREFIRST BLU	5,839.52				5,839.52
30009 FIDELA CRUZ M	365.28			365.28	
30009 INTERNATIONAL	1,358.00				1,358.00
30009 TRICARE	1,068.00				1,068.00
30009 TRICARE	518.72				518.72
30009 VICENTE DIEGO	100.00			100.00	
30009 WEISHAO HUANG	662.26			662.26	
30009 WPS TRICARE	1,364.94				1,364.94
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	11,276.72			1,127.54	10,149.18







**SENATOR DENNIS G. RODRIGUEZ, Jr., Chairman**  
 COMMITTEE ON HEALTH & HUMAN SERVICES, HEALTH INSURANCE REFORM, ECONOMIC  
 DEVELOPMENT AND SENIOR CITIZENS  
*Mina'trentai Dos Na Liheslaturan Guahan* • 32<sup>nd</sup> Guam Legislature

**MEETING DATE / TIME: Monday, March 11, 2013, 10:00 a.m.**

**Guam Legislature Public Hearing Room**

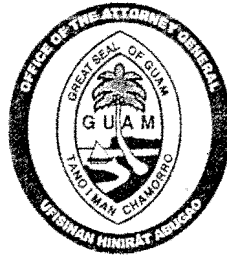
- **Bill 20-32(COR)-D.G. Rodriguez, Jr.-** An act to establish a healthcare trust and development fund, by adding a new Chapter 97 to Title 10, Guam Code Annotated, and authorizing the expenditure of monies in the fund by public health care providers for specific purposes pertaining to extinguishing the outstanding debt payables of the Guam Memorial Hospital Authority, and provide expanded healthcare services by establishing and funding a GMHA primary healthcare or urgent healthcare center for non-emergent patients; this act to be cited as *"The GMHA Healthcare Trust and Development Act of 2013."*

PLEASE PRINT YOUR NAME	SIGNATURE	WRITTEN TESTIMONY	ORAL TESTIMONY	IN FAVOR	NOT IN FAVOR	CONTACT NUMBERS
DAVID LEPPY		✓	WR		✓	472-8001
June S. Mair	June S. Mair	✓				472-2089
Francis Campillo		✓			✓	475-7351
Rene H. Ramos				✓		483-0450
Rene Ramos				✓		482-4679
Ruth Felix				✓		707-8702
GIVALYN D. CARINO				✓		787-6725
Baylee de Guzman				✓		727-7100
PRINCESS Valencia				✓		489-1889
RAMIL R. ILAGAN				✓		483-4601
VERNA HERNANDEZ						486-1017
JESSICA M. CRUZ						632-6001





LEONARDO M. RAPADAS  
Attorney General



PHILLIP J. TYDINGCO  
Chief Deputy Attorney General

## OFFICE OF THE ATTORNEY GENERAL

February 11, 2013

Senator Vicente "ben" C. Pangelinan  
Committee on Appropriations, Public Debt, Legal Affairs, Retirement,  
Public Parks, Recreation, Historic Preservation, and Land  
*I Mina'trentai Dos na Liheslaturan Guåhan*  
324 West Soledad Ave.  
Suite 101  
Hagatna, GU 96910

*[Handwritten signature]*  
RECEIVED BY THE  
OFFICE OF SENATOR  
VICENTE C. PANGELINAN  
2/11/13

#2

Subject: Reporting of the 4% Assessment Fee in Bill 20-32 for MLR; Ref: LEG-13-0097

Dear Senator Pangelinan,

*Buenas yan Håfa Adai!* Thank you for your letter of February 1, 2012 to the Attorney General of Guam. You have asked how a "four percent (4%) assessment fee on all healthcare insurance premiums paid in Guam for the coverage of company employees and their dependents, or individuals"<sup>1</sup> will be reported by insurance companies in the quarterly (or annual) report due to the U.S. Department of Health and Human Services for Minimum Loss Ratio ("MLR") computation. This response to your question is based upon a review of the federal regulations which apply to the computation of the Minimum Loss Ratio and the report to be completed and filed by an insurance company with regard to the computation of that ratio. It is noted that application and enforcement of the applicable federal regulation and law, and the responsibility for the review and approval of any report filed by an insurance provider, referred to in law as the 'issuer', remains primarily with the U.S. Department of Health and Human Services.<sup>2</sup>

The MLR is reported as a fraction or a percentage, and speaking very generally, represents the cumulative cost of medical claims and quality improvement expenditures (the numerator) divided by earned premiums less taxes, licensing and regulatory fees (the denominator).<sup>3</sup> Pursuant to federal regulation, the denominator of an issuer's MLR must equal the issuer's premium revenue, minus the issuer's Federal and State taxes and licensing and regulatory fees. 45 CFR §158.221(c). State taxes, for purposes of this MLR computation, are state taxes and assessments that include "any industry-wide (or subset) assessments (other than

<sup>1</sup> Quoting from Bill No. 20-32 at Section 2, found at page 7, lines 14-16.

<sup>2</sup> States, to include Guam, likely share enforcement responsibility concerning MLR calculation with federal agencies pursuant to the Health Insurance Portability and Accountability Act, 42 USC § 300gg-22.

<sup>3</sup> See Suzanne M. Kirchoff and Janemarie Mulvey, Medical Loss Ratio Requirements Under the Patient Protection and Affordable Care Act (ACA): Issues for Congress, Congressional Research Service, September 18, 2012, p.9.

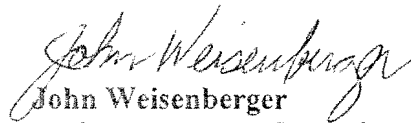
Letter to Senator Vicente "ben" C. Pangelinan  
dated February 11, 2013  
page 2  
Ref: LEG 13-0097

surcharges on specific claims) paid to the State directly." 45 CFR §158.162(b). It would appear from a review of the language of Bill No. 20-32 that the assessment proposed in the Bill would be properly applied to the calculation of the denominator for purposes of the MLR computation.

I have reviewed the Department of Health and Human Services Medical Loss Ratio Reporting Form ("Reporting Form").<sup>4</sup> Further, I have reviewed the Department of Health and Human Services, Centers for Medicare and Medicaid Services Medical Loss Ratio Quarterly Reporting Form Instructions ("Instructions").<sup>5</sup> I hesitate to express an opinion on the proper manner to complete this form. It may be appropriate and more helpful to seek guidance from the Insurance Commissioner, Department of Revenue and Taxation, concerning the proper use of the Reporting Form and Instructions.

In conclusion, the proposed assessment fee that would be charged against all healthcare insurance premiums paid in Guam for the coverage of company employees and their dependents, or individuals appears to qualify as a state tax for purposes of the MLR calculation, and as such will be deducted from premium revenues in determining the denominator for that calculation. Please contact me at 475-3324 x 3097 or at [jweisenberger@guamag.org](mailto:jweisenberger@guamag.org) if you have any questions or seek clarification of matters stated here. *Dangkolo na Agradesimiento!*

Sincerely,

  
John Weisenberger  
Assistant Attorney General

cc: Senator Dennis Rodriguez  
John Camacho, Director, Department of Revenue and Taxation  
Artemio Ilagan, Banking and Insurance Commissioner  
Sandra Cruz Miller, Governor's Legal Counsel  
Brian San Nicolas, Governor's Advisor on Health

<sup>4</sup> A copy of this form in Excel format is available and can be forwarded upon request.

<sup>5</sup> A copy of the instructions is available and can be forwarded upon request.



Leonardo M. Rapadas  
Attorney General



Phillip J. Tydingco  
Chief Deputy Attorney General

OFFICE OF THE ATTORNEY GENERAL

April 26, 2013

RECEIVED  
Received by the  
Office of Senator  
Dennis G. Rodriguez  
mrb 4/29/13

Honorable Dennis G. Rodriguez, Jr.  
*I Mina'Trentai Dos Na Liheslaturan Guåhan*  
176 Serenu Ave., Ste. 107  
Tamuning, GU 96931

CONFIRMATION

Re: Bill No. 20-32 (COR) "The GMHA Healthcare Trust and Development Act of 2013"; Ref.: LEG 13-0230

Senator Rodriguez:

This is in response to your request to comment on the written testimony provided by TakeCare's legal counsel. In their testimony, TakeCare argued that Bill No. 20-32 would violate the Organic Act.

First, the four percent (4%) assessment on all healthcare insurance premiums paid in Guam is a tax which is within the legislature's power to establish a tax. Although we have not been provided with a copy of TakeCare's Qualifying Certificate contract, we do not believe the proposed new tax would impair their contract as this would be a new tax and not one of the taxes abated or rebated in the Qualifying Certificate program. Based on our preliminary review of TakeCare's written testimony, we disagree with TakeCare's position that the new tax violates the Organic Act as an impairment of contracts.

Second, TakeCare also stated that Bill No. 20-32 would infringe upon the Governor's Organic Act powers. We agree that there are some provisions in the legislation that would violate the Organic Act.

Section 97103 requires the Guam Memorial Hospital Authority (hereinafter referred to as GMHA or Hospital) to use a percentage of the funds that are assessed from the four percent (4%) tax and obtain a line of credit or loan to pay its debts as specified in the legislation. While the government cannot borrow money or obligate the government without legislative authorization, it is an executive prerogative to exercise the authorization to borrow. Unlike other legislations which authorize the government to borrow money, this Bill mandates the Hospital to borrow money and pay the debts provided in the legislation.

Section 97104 mandates the Hospital to develop and adopt a plan of action and subsequently implement and establish a pharmaceutical utilization and treatment tracking computer system, as well as other management tools for billing and collection, procurement, efficient management

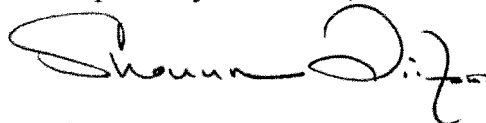
and operations, and new revenue generating specialty medical services. The Bill requires the Hospital within 30 days from the date of enactment to report to the Legislature and subsequently get legislative approval before it can proceed with the requirements in Section 97103(a). Although the Legislature may impose conditions upon the expenditure of funds, it may not reserve to itself the powers of close supervision that are essentially executive in character. *In re: Request of Gutierrez*, 2002 Guam 1 (dictating the terms of a lease and requiring legislative approval of the lease violated the separation of powers doctrine.)

Section 80122 mandates the Hospital to establish a Primary Healthcare Medical Services Center or Urgent Healthcare Medical Services Center and commence the process within 6 months of the Bill's enactment. The Legislature can establish a center within the Hospital but in this instance it requires the Hospital to establish it which encroaches upon the Governor's Organic Act powers. However, the authorization to outsource the operations of the Center would not impinge upon the Governor's authority to operate a public hospital as it is within his discretion to outsource the Center's operations.

Some of the legislative provisions which TakeCare also noted were the transferring of monetary control over Hospital funds to the Department of Revenue and Taxation ("DRT") and the Department of Administration ("DOA"), restricting the Governor from transferring these funds and subjecting these funds to legislative appropriation. According to TakeCare, "the Governor is hardly in 'control' over the Hospital when he has no authority over substantial funds designated for Hospital purposes" and cited *In re: Request of Camacho*, 2004 Guam 10. In the *Camacho* case the court invalidated a provision which gave exclusive control over all federal funds to the lieutenant governor. In this instance, the legislation creates a fund with one revenue source like many other special funds established within government line agencies such as DPW's Building and Design Fee Account and Guam Preservation Trust Fund which are excluded from the Governor's transfer authority and subject to legislative appropriation. Further, DRT and DOA are line agencies within the Governor's purview and control. These provisions do not have the same impact as the provisions that were invalidated in the *Camacho* case. Hence, *In re Camacho* is not a bar to restricting the Governor from transferring funds and subjecting those funds to legislative appropriation.

This memorandum is provided as information and guidance only and based on a preliminary review of Bill No. 20-32 (COR) and TakeCare's concerns with the Bill.

Respectfully Submitted,



Shannon Taitano  
Assistant Attorney General

### Comments on Bill No. 20-32

Bill No. 20-32, also known as "The GMHA Healthcare Trust and Development Act of 2013, adds a new Chapter 97 to Title 10 of the Guam Code Annotated. If enacted into law, said Bill proposes that healthcare insurance companies pay a four percent (4%) assessment fee on all health care insurance premiums paid in Guam for the coverage of company employees and their dependents', or individuals. The revenues collected from the 4% assessment fee shall be used for the purpose of establishing a "GMHA Healthcare Trust and Development Fund" and to facilitate and supplement the development and maintenance of public health care services for the people of Guam. This bill has the potential to annually generate approximately \$8,500,000 (with projected 2012 4<sup>th</sup> quarter - \$20M +) in revenue for the GMHA Healthcare Trust and Development Fund. Section 97103 of the new Chapter 97 stipulates that revenues generated from the 4% assessment fee shall be allocated and expended as follows:

1. Subsection (a) - Up to sixty-two percent (62%), but not to exceed \$5,000,000, whichever is less, of the funds in the GMHA Healthcare Trust and Development Fund shall be utilized by the Guam Memorial Hospital Authority (GMHA) to obtain a line of credit, a revolving loan fund, and/or a direct loan agreement to retire outstanding prior year debt to GMHA House Doctors, healthcare service providers, pharmaceutical suppliers, vendors, and all other payables, as per Exhibit "A" appended to this Act. It should be noted that the \$5,000,000 appropriation shall continue to be appropriated, annually, to GMHA and shall remain in full force and effect until specifically revoked or amended pursuant to law. The implementation of this Subsection (a) shall be subject to GMHA first satisfying the prerequisite conditions set forth pursuant to §97104 of this Chapter 97. Until such time that GMHA meets the conditions of §97104, all funds collected and allocated for purposes of this Subsection (a) shall be deposited into the Fund and allowed to accrue.
2. Subsection (b) - Up to thirty percent (30%), but not to exceed \$2,500,000, whichever is less, of the funds in the GMHA Healthcare Trust and Development Fund, shall be allocated to GMHA for the purpose of subsidizing the establishment and operation of either a Primary Healthcare Medical Center or Urgent Healthcare Medical Center within GMHA. It should be noted that the \$2,500,000 appropriation shall continue to be appropriated, annually, to GMHA and shall remain in full force and effect until specifically revoked or amended pursuant to law.
3. Subsection (c) – Up to six percent (6%), but not to exceed \$500,000, whichever is less, of the funds in the GMHA Healthcare Trust and Development Fund, shall be allocated to establish and maintain a Loan Payment Security Reserve Fund for the sole purpose of further ensuring and backing the security of payments pledged for the line of credit, revolving loan fund, and/or direct loan agreement pursuant to 10 GCA §97103(a) of this Chapter. It should be noted that the \$500,000 appropriation shall continue to be appropriated, annually, to GMHA and shall remain in full force and effect until specifically revoked or amended pursuant to law.
4. All other remaining proceeds from fees collected under this Article shall be deposited into the Fund. After payments are first made to GMHA for the purposes provided for in §97103(a), and second to GMHA for the purposes provided for in §97103(b), and third to the Loan Payment Security Reserve Fund for the purposes provided in §97103(c), shall be allocated and solely

expended for accelerated early payment(s) on the principal of the GMHA line of credit, revolving loan fund, and/or a direct loan agreement, as authorized and entered into for pursuant to 10GCA §80109(v), on a quarterly basis for the fiscal year.

Bill No. 20-32 if enacted into law will provide GMHA with additional revenues to assist the Hospital in providing medical care services for the people of Guam, regardless of a patient's ability to pay or availability of medical insurance coverage.



Dennis Rodriguez, Jr. &lt;senatordrodriguez@gmail.com&gt;

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## Ed Ilaos Testimony on Bill 20-32

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ED ILAO &lt;edilao@jmiguam.com&gt;

Mon, Mar 11, 2013 at 1:32 PM

Reply-To: edilao@jmiguam.com

To: speaker@judiwonpat.com, senator@senatorbjcruz.com, senator@tinamunabarnes.com, roryforguam@gmail.com, office@senatorada.org, senbenp@guam.net, senatordrodriguez@gmail.com, aguon4guam@gmail.com, senatorsannicolas@gmail.com, senatorTonyada@guamlegislature.org, duenasenator@gmail.com, aline4families@gmail.com, brantforguam@gmail.com, mike@mikelimtiaco.com, tommy@senatormorrison.com

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### TESTIMONY ON BILL NO. 20-32

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Hafa Adai Mr. Chairman and members of the Committee on Health and Human Services. I would like to thank you for this opportunity to address this critical issue of overdue GMH payables to vendors, especially local vendors.

We are here first, to acknowledge our hospital's financial situation. We realize that for many years, our hospital has faced financial challenges. Our hospital has been plagued with its inability to pay its doctors, healthcare service providers, pharmaceutical suppliers, medical supply companies, and other professional service providers.

My company has been in business since 1978, and has maintained business relationships with many Government of Guam agencies and our hospital for more than 34 years. In the many years of doing business with our only civilian hospital, we have provided both basic and critically needed supplies and equipment, such as: CT scanners, x-ray machines, ultrasound machines, mammogram systems, infusion pumps, medical ventilators, hemodialysis machines, medicines, IV fluids, gloves, and needles -- to name a few. We also provide maintenance and repair services for all equipment we supply, including, all radiology equipment, all cafeteria equipment for both the main hospital facility and the Skilled Nursing Unit, and we also maintain the morgue.

I must say, that in the more than 25 years that I have directly managed our small family-owned business, I have seen our accounts receivables from GMH grow from \$50,000.00 back in 1987 to more than \$1.2 million dollars presently.

With that in mind, it is worth noting that we have, as much as possible, continued and still continue to provide our hospital with its needs knowing that we may not be paid for months. We choose to do this because we are part of a community who seek care and treatment in this same hospital when we become ill. We do this to ensure that in the event that we or our loved ones are hospitalized or taken to the GMH emergency room, that the hard-working staff of GMH will have the proper supplies, medications, and working medical equipment needed to care for us.

On a personal note, this has happened to a member of our family who had to undergo life-saving brain surgery at GMH because of a motorcycle accident -- she recovered fully. Many things could go wrong when you don't have the right doctors, the right medicines and supplies, and just as important, working medical equipment to diagnose and treat medical problems.

We are not here to solely support Bill No. 20-32, but rather to support the idea that our legislature is finally taking an initiative to help our hospital, and especially local vendors who cater to GMH. Thus, I believe that this bill introduced by Senator Rodriguez is a good step in the right direction.

Because I know little about the details of health insurance companies' QC, I will not comment much on this issue. My thoughts, however, is that implementing a 4% tax on the health insurance companies will only force the already paying

patients, those with health insurance plans, to pay more, while the non-paying patients continue with their non-paying ways. With this idea, I can only say, I personally, am willing to pay my fair share.

Furthermore, I would like to encourage and challenge this 32<sup>nd</sup> Guam Legislature to consider other more equitable ways to provide the hospital with funds to pay its vendors, sustain its operations, and continue making improvements to its physical infrastructure as well as its operations. I suggest increasing GRT by 1% or so. This way, all residents of Guam, all Guam consumers, including tourists, will contribute their proportionate share to fund the Guam Memorial Hospital to make its operations sustainable over time.

More avenues are needed to help our hospital, because with the \$8.5M that the proposed funding source of this bill will generate, with all its terms and conditions, it will take GMH maybe three years to pay off all its debts to vendors – assuming that GMH does not accrue additional debts in the near future. Vendors, especially local vendors, given today's economy simply cannot wait for three years to get paid! Some of us might be filing for bankruptcy if that happens!

We are very serious when it comes to our family business. It's been handed to us by our parents who have worked extremely hard to get it started. Our business is what pays for our kids' education, it is what pays our mortgage and our employees' mortgages, it is what pays for food on our table everyday. Without payment from GMH, where do you think me and my employees will go for these essential needs?

If you don't have any other means, given that you have a family to feed, would any of you Senators, work without getting paid for months? I think we know the answer to that. Such is what is happening to us at GMH...

I've heard many people and politicians say, that GMH is in bad shape and it needs to improve in the way it does things, and that they shouldn't keep asking for handouts all the time. To this I say, we've all probably experienced standing up in a pool with water up to our nose. How fast were you able to move given that situation? The same is true today with GMH! GMH is up to its nose in debts! It can hardly move! GMH needs help!  
We cannot let GMH drown! Where would our sick people go if GMH is gone?

In closing, I would like to ask this legislative body this question: how many lives do we need to lose for us to wake up and realize, that we need Guam Memorial Hospital to be fully staffed, fully stocked, and fully serviced?!! I say One life is too many! We need action from you now! Please help get us paid! Thank you!

Respectfully,

ED ILAO, P.E., C.E.M.  
PRESIDENT  
**JMI-EDISON**

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March 11, 2013

TESTIMONY OF MR. HENRY J. TAITANO

ACTING ADMINISTRATOR

GUAM ECONOMIC DEVELOPMENT AUTHORITY

BILL 20-32 (COR)

Hafa Adai Chairman Rodriguez and members of the Committee on Health & Human Services, Health Insurance Reform, Economic Development and Senior Citizens. It is my honor to provide this testimony providing perspective on and appreciation for Bill No. 20-32, **"AN ACT TO ESTABLISH A HEALTHCARE TRUST AND DEVELOPMENT FUND, BY ADDING A NEW CHAPTER 97 TO TITLE 10, GUAM CODE ANNOTATED, AND AUTHORIZING THE EXPENDITURE OF MONIES IN THE FUND BY PUBLIC HEALTH CARE PROVIDERS FOR SPECIFIC PURPOSES PERTAINING TO EXTINGUISHING THE OUTSTANDING DEBT PAYABLES OF THE GUAM MEMEORIAL HOSPITAL AUTHORITY, AND PROVIDE EXPANDED HEALTHCARE SERVICES BY ESTABLISHING AND FUNDIND A GMHA PRIMARY HEALTHCARE OR URGENT HEALTHCARE CENTER FOR NON-EMERGENT PATIENTS; THIS ACT TO BE CITED AS "THE GMHA HEALTHCARE TRUST AND DEVELOPMENT ACT OF 2013."**

I would like to provide some background information for the Committee on the evolution of the Qualifying Certificate (QC) program as it pertains to the subject of Bill No. 20-32, the granting of rebates on Income Taxes, Income Taxes on Dividends and the Abatement of Gross Receipts Tax on Premiums to Domestic Health Insurers. For the record, the companies in receipt of these QC benefits are:

1. Island Home Insurance Co.
2. Netcare Life & Health Insurance Co.
3. Tokio Marine & Nichido Fire Insurance Co., Ltd.
4. TakeCare Insurance Co., Ltd.

On December 30, 1994, Bill No. 920 was signed into law as P.L. 22-159. The Legislative Findings contained the following language :

"In order for Guam to continue to achieve economic growth and diversification, and to attract capital investments, financing institutions and programs, including the Program, must keep pace with changes in the marketplace, in the local labor supply, in employee training and in investment practices.

It is the Legislature's intent to restructure the Program to provide flexibility sufficient to address such changes in Guam's market conditions in order to help stimulate the economy to achieve the island's socio-economic goals and objectives.

**Aturidad Inadilanton Ikunumihan Guahan**

It is the Legislature's intent to restructure the Qualifying Certificate program to assist U.S. citizens and permanent resident entrepreneurs in establishing or expanding industries and services industries and services, including those supportive of hotels and their guests, to diversify the island economy, enrich its growth, and enhance the quality of life in Guam. The Legislature affirms that the Program must be expanded to attract investments in order to diversity Guam's economy."

As a result of the actions authorized under P.L. 22-159 the following QC activity was approved:

**§2404. Eligibility defined.** A Qualifying Certificate shall only be issued to the following entities:

**§Section 2404 (9)** Captive Insurance business as permitted by Chapter VII, Title XXXIX, Government Code.

Subsequently, P.L. 23-109 further expanded the QC program amending §2404 (9) by adding the following language:

"9. Insurance issuance, either by commercial insurers, reinsurers, or captive insurers which meet the requirements of Chapter III (Domestic Insurers), Title XXX(S), Government Code."

Under the QC program amendment contained in P.L. 23-109, the following language was also added:

**§2427.5. Insurance premiums.** ".....Such insurance Qualifying Certificates may be renewed for additional periods for twenty (20) years at the conclusion of the first or later periods so long as the Beneficiary remains in good standing under the laws of Guam and under the rules and regulations of the Authority."

This essentially means that Domestic Insurers can receive Gross Receipt Tax Abatement QC benefits for life, while all other QC Beneficiaries have up to a maximum of 20 years abatement of Gross Receipts Tax.

The proposed legislation before the Committee today identifies that previous legislation has provided a "significant financial windfall" to the Insurance industry. Bill 20-32 goes on to state that the four domestic healthcare insurance companies have collectively maintained a significant book-of-business, allowing them for many years to make substantial profits and therefore, should not now be overly burdened or impacted by the application of a four percent (4%) fee upon health care insurance premiums for the purpose of establishing a GMHA Healthcare Trust and Development Fund.

The Guam Economic Development Authority supports the intent of Bill No. 20-32 and the establishment of the GMHA Healthcare Trust and Development Fund along with the prioritization of the use of the funds collected to first extinguish the existing outstanding debt of \$22,000,000 payable as contained in Exhibit A. GEDA also supports the establishment and operation of either a Primary Healthcare or Urgent Healthcare medical service unit within the GMHA facility.





EDWARD J.B. CALVO  
GOVERNOR OF GUAM  
I MAGA' LAHEN GUAHAN  
RAYMOND S. TENORIO  
LT. GOVERNOR OF GUAM  
I SEGUNDO NA MAGA' LAHEN GUAHAN

*Aturidád Inadilánton Ikunumihan Guahan*

GEDA applauds the Author of Bill No. 20-32 for his foresight in understanding that none of the above could ever come to fruition without FIRST establishing a "viable, efficient pharmaceutical utilization and treatment tracking computer system, as well as other needed management tools, for billing and collection, procurement, and other similar purposes pertaining to the efficient management and operation of GMHA."

Once all the prerequisites of the GMHA Healthcare Trust and Development Fund are in place, GEDA stands ready to lend its support to arranging a line of credit, a revolving loan fund, and/or a direct loan in accordance with the conditions set forth in Section 3 of Bill No. 20-32.

I wish to thank the Committee for the opportunity to present testimony on Bill No. 20-32. *Si Yu'os Ma'ase!*



March 11, 2013

**Testimony to the 32<sup>nd</sup> Guam Legislature  
Bill 20-32 COR**

My name is Charles "Chuck" Tanner and my purpose here today is to provide testimony on Bill 20-32 COR. My profession is - health care administrator. I am a Fellow with the American College of Healthcare Executives (ACHE), a retired Army Medevac Pilot and Medical Service Corps officer, I am the current Chairman for Guam Cancer Care, the President Elect for the Guam Local Program Chapter of the ACHE, the chair of the policy and advocacy committee of the Guam Comprehensive Cancer Coalition and a member of the NCD Consortium. For the purposes of this testimony I speak only for myself and none of these organizations.

I would like to start by addressing the section that intends to mandate the establishment and operation of an Urgent Care (UC) service at GMHA. In my years in healthcare, as a patient advocate, in one form or another, I have learned, people need help figuring out this healthcare system. When people get sick or injured, naturally they want to get better. Often times the option they choose is the Emergency Room. Unfortunately, the emergency room may not be the proper choice. Patients only know that the ED is where you go to get better. Within Bill 20-32 statistics reveal that people could be treated properly in an urgent care setting and not the emergency room. Research conducted outside of Guam also confirms the mis-utilization of the emergency department.

As a former MEDEVAC pilot I am well versed in the concept of triage. I have extensive practical experience at directing patients to the proper level of care. It is not my intent to give you an education on this basic medical concept, suffice it to say, since an appropriate level of care i.e. an urgent care center does not exist at GMH, patients and providers have no choice but to utilize the Emergency Room.

Living on Guam and having family, at one time or another you have visited the ER. I have spent more time there than I would like to. During those visits, as I waited, I watched and noted what types of patients were at the ER. These on site experiences confirm the information in the bill on the number of non-emergent cases that are present to the ER and I commend Senator Rodriguez and his staff for the level of detail the bill provides. If you don't believe those numbers, then go down there tonight and sit in the ER and see for yourself. During one episode, I remember a young mother with a sick child. Because of the triage process and the relative urgency of her child's condition, as dictated by protocol, this young mother and child were forced to wait until the "true" emergencies were treated. In her eyes and in the world she lives in, she only knows she had an emergency situation with her child. I remember the look of worry on her face. If an urgent care center existed, she could have been seen in a timely manner, her fears allayed, and her baby would not have had to needlessly suffer. She would be charged a reasonable fee for that service. A fee that maybe she could afford to pay, and would.

The UC must be located in GMHA. Since we have trained our people to go to the ER for care, then we need the ability to re-direct them to an in house UC center. In addition to offloading the work at the ER for true emergencies and for lowering the cost of care to our people, it will also provide the necessary safety net for patients that are first diagnosed with non-emergent conditions and subsequently find they

are in emergency distress. Having the UC in GMHA allows the patient to be upgraded to the emergency status and quickly moved to the higher level of care if need be.

The UC concept is not new to the healthcare profession. In the 1990's I was a member of a team that evaluated the patient flow at Brooke Army Medical Center in San Antonio, Texas. The ER director, Colonel Pfaff complained of the "GOMERS", a not so flattering term for people that come to the ER with non-emergent conditions. You have to understand that BAMC, beyond being a world renowned burn center, is also a Level 1 Trauma center and serves the city of San Antonio. At first Colonel Pfaff was resistant to an urgent care or fast track system as he thought he would lose revenue from his department. Thus a team was put together which included financial members to properly evaluate the impact of this decision and to address patient flow considerations. The results of our study put an urgent care / fast track system in place under the direction of the ER director. It was staffed with Physician Assistants and Nurse Practitioners with oversight by an ER physician. Walk in patients were triaged within five minutes of sign in and moved to the appropriate track. LPN's were given algorithms to follow and supervised by an RN during this process. Upon completion of their UC visit, patients were given a follow up appointment to see their primary physician the next day. I want to repeat that, at the conclusion of the visit, patients were directed to a primary care physician. This system works.

Last year Senator Rodriguez presented a similar bill and the 31<sup>st</sup> Legislature failed to act. That was a sad day. Today, GMHA continues to charge our people the high ER prices when they could receive quality health care at appropriate charges in an appropriate place of care. And the beat goes on.

Before leaving this topic, I would like to comment on the provision to outsource the UC to a private organization. This seems to have raised a great deal of controversy and the social media is full of conspiracy theories. Contrary to the uninformed, the haters, and the conspiracy theorists, this is a common administrative tool in most hospitals. I fully support giving the ability to outsource not only the UC but various other entities at GMHA, to the Hospital Administrator. This ability will allow the Administrator to analyze various departments, conduct a cost benefit analysis among other studies and with due diligence, seek appropriate approval through the BOT and/or Legislature.

I further support the section that provides for the establishment of the GMHA Management Reform Practices and Policies as a mandatory prerequisite to the use of funds. History has shown we have gone down this bail out road before. Even with professional healthcare administrators in place and well intentioned board members, I believe a greater level of planning is required and appropriate oversight in place so the funds are not squandered. We should learn from the lessons of the past.

My final comments are in regard to the application of the four percent fee upon health care insurance premiums. The bottom line is - **the people of Guam owe 22 million dollars**. In one form or another they **will** pay this bill. Of course the insurance companies will pass this cost to the people and I assume there will be MLR adjustments and other financial processes. The bottom line still remain, the people owe 22 million dollars. As an alternative, this body could consider increasing property taxes, raising GRT or writing a letter to Santa Claus, but the fact remains, we owe 22 million. If you feel this Bill is not the

answer, then I encourage you, if you vote no, to give the people your proposal on how to pay this 22 million dollar bill.

Very soon a new hospital will open. For the first time in memory GMH will have "competition". That, in my opinion, is a great situation as competition has a way of improving quality, lowering cost and increasing access. However, I do not envy Mr. Verga going into this first time competitive environment with a 22 million dollar anchor. Contrary to popular social media, I don't believe there are many management companies or health care administrative teams that would relish the fact of having this 22 million dollar anchor, not to mention the exceedingly bureaucratic government rules that strap the people's hospital. It is my personal believe that GMH is due to fail unless it is put on firm financial standing very soon. So, before the ribbon is cut and pictures are taken, I urge you to assist the people's hospital in achieving a competitive stance by relieving it of this anchor.

In closing, I urge you to have courage and seriously consider this bill. I would hope that you keep comments from the social media, the "haters" and opponents in context. In summary, we need an urgent care center at GMH and we need to pay our bills.

Thank you for allowing me the opportunity to address my position on this important legislation. I commend Senator Rodriguez for the level of detail he has provided and the courage to put this bill in front of the people.

A handwritten signature in black ink, appearing to read 'Charles K. Tanner', with a stylized, cursive script.

Charles K. Tanner  
MHA, M.Ed, FACHE

March 10, 2013

Honorable Senators,

Hafa Adai.

I am Dr. Ma. Gladys M. Linsangan, a Board Certified Pediatrician who have been living in Guam for the past eleven years now . I am a member of the Medical Staff of the Guam Memorial Hospital and is part of the Department of Pediatrics. I have been in private practice since 2001 and I have been on island long enough to understand , witness and experience the different problems facing healthcare here on island, especially that of Guam Memorial Hospital.

I have decided to come out in the open and put my full support on the intent of Bill No. 20-32 ( COR) the “ GMHA Healthcare trust and development Act of 2013”, based on my many roles as a Physician/Pediatrician, a medical provider that has a financial interest in GMH, a business owner , and a citizen of this island.

As a Physician and Pediatrician on island, who provides care not just to my private patients but also to those patients who do not have primary physicians at GMH, there is nothing I want more than to see GMH be a viable business entity which can provide the best medical service on island and provide care and comfort to those who need it. I get sick to my stomach every time I hear and read horror stories about GMH , stories that involve poor quality of care due to lack of medications and unavailable equipments instances which the media and sometimes the islands citizenry, are often always ready to jump on. I have been here long enough to understand how badly GMH needs financial help and how it needs to confront and address multiple issues that relates to its productivity and quality of care.

I am glad that finally, this legislature, especially Senator Rodriguez understood the extent of the problem and is working hard to try to address the financial issues confronting GMH.


As a medical provider who is owed by GMH more than a hundred thousand dollars in medical services provided to house patients since 2009, I would like the hospital to finally be able to release payments for the said receivables. This amount accumulated through years of non payments , and it involved hardwork , time away from family which at times includes sleepless nights, closure of my private clinic and endless anxiety over patient care due to very sick patients to the detriment of my own private practice and my ability to earn my own keep.

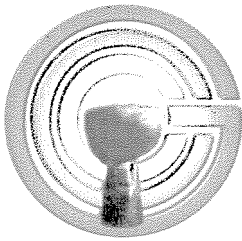
As a business owner who started my private practice by tapping my retirement account and putting my financial future at risk and who understands how to keep the business thriving. I want nothing else from this government but a level field for everyone. No one does business without risks whether its big or small, we all go into it with our eyes open knowing there is a chance such venture may fail. I am glad that this Bill addresses head on the unfair advantages that some businesses have been given them due to the Qualifying Certificate from GEDA and how it denies Guam and its citizens the financial benefits they would have received otherwise. And although I think, this Bill should not limit itself to the medical insurance industry, and that it should go further and revoke those certificates from the other businesses after so many years of enjoying them, I think this bill is a good start since it understands the predicament of GMH and the burden it was given to provide medical service to all who need it and it offers a possible solution to address such issues.

Although I have been on island for eleven years now, I have not been here long enough to just shrug my shoulders and accept the status quo and give up on GMH, because despite all of its limitations and the bad things that have been written about it, it remains a place of hope , where people still get better, it continues to produce miracles, where life and dreams starts , and it is a place of comfort , where life can still end peacefully and with dignity, because it is manned by hardworking people who despite all the difficulties they confront, continue to do what they have spent all their life doing, that is to keep their oath and care for the sick and the dying.

I hope this legislature can make a difference and work on making GMH the hospital that we can all dream it to be.

Respectfully,

  
Ma. Gladys Linsangan MD, FAAP



**GUAM CHAMBER OF COMMERCE**  
**PARTNERS IN PROGRESS**

*March 11, 2013*

THE HONORABLE DENNIS G. RODRIGUEZ JR.  
Chairman, Committee on Health & Human Services,  
Health Insurance Reform, Economic Development,  
and Senior Citizens  
I Mina'Trentai Dos Na Liheslaturan Guåhan  
155 Hesler Place  
Hagåtña, Guam 96910

RE: Bill No. 20-32 AN ACT TO ESTABLISH A HEALTHCARE TRUST AND DEVELOPMENT FUND, AUTHORIZING THE EXPENDITURE OF MONIES IN THE FUND BY PUBLIC HEALTH CARE PROVIDERS FOR SPECIFIC PURPOSES PERTAINING TO EXTINGUISHING THE OUTSTANDING DEBT PAYABLES OF THE GUAM MEMORIAL HOSPITAL AUTHORITY, AND PROVIDE EXPANDED HEALTHCARE SERVICES BY ESTABLISHING AND FUNDING A GMHA PRIMARY HEALTHCARE OR URGENT HEALTHCARE CENTER FOR NON-EMERGENT PATIENTS.

Dear Chairman Rodriguez,

On behalf of the Board of Directors and Members of the Guam Chamber of Commerce, thank you for the opportunity to submit our comments on Bill No. 20-32, which proposes to assess a fee on insurance companies that will go directly to a Healthcare Trust and Development Fund to pay the debt of GMH and build an urgent care center at the hospital.

Though we recognize and applaud your efforts to insure that the budget crisis and urgent care needs of GMH should be given the highest priority we strongly believe this legislation, if passed as written, will not resolve the core issue affecting the hospital's fiscal woes and will only serve to make health care more expensive for our businesses and families who are already heavily burdened with high fees and taxes. When faced with a deficit, as is the case with GMH, efforts to cut expenses and to allow the hospital to develop efficiencies unimpeded by excessive government regulation are more appropriate than a plan to increase revenues through higher fees and taxes.

We are opposed to Bill 20 for the following reasons:

1. As it is with any increase in government provided service, the increase is a tax on all those that use the service. Cost increases for the most basic of services such as power and water are passed on to ratepayers. The same will occur with the cost of health insurance. In fact it just makes it less affordable and forces more people to utilize the emergency room and not even buy the coverage.

*Letter to Senator Rodriguez*

*Re: Bill No. 20-32*

*Page 2*

2. All government employees and all retirees will also face increases in their health insurance premiums. Please note that health insurance for Government employees and retirees, are the single largest group covered by health insurance. If this Bill passes, not only will cost increases be realized by the private sector, increase in costs will have to be paid by our government – indirectly that cost will be paid by profits/taxes paid by the private sector.
3. Throughout our entire community, our people are making hard decisions daily. Decisions to prioritize their household and business expenses in order to make ends meet. Funding the entire organization of the Guam Memorial Hospital is already being paid by the taxpayers of Guam. The public perception that Guam Memorial Hospital is free must be turned around. It is not free.
4. While our community makes the difficult decisions to cut their expenses, it is not equitable to reduce all our costs to fund a hospital that has not made any meaningful cuts to its own expenses or given the latitude to run it in a profitable manner. Consider the hospital's payroll alone. The industry standard for hospitals to retain all its employees is 3 employees to each acute care bed.
5. The Guam Memorial Hospital has approximately 1,000 employees. The cost of only its payroll constitutes about 75 percent of the hospital's revenue. The hospital has 148 acute care beds. At the industry employee efficiency ratio, the hospital can be operated with 444 employees. Giving the benefit of the doubt to this finding by adding 200 more employees, the result becomes 644 employees for a hospital that employs 356 employees more than the industry standard.
6. This Bill creates a tax. It is not equitable for all taxpayers to pay an additional 4 percent tax to fund a hospital that has not cut costs, including its payroll costs.

In summary, the short-term solution for GMH rests internally with the hospital. Its operational budget far exceeds its revenue generation and will require massive intervention, cost cutting and reorganization to correct. The long-term solution is for the hospital to be privatized. The healthcare industry has changed dramatically and the demands placed on GMH have intensified. It is clear that GMH is in a state of emergency and the high quality of care our community deserves and requires is at stake.

The Guam Chamber of Commerce will be happy to participate in any taskforce of your office to address the mitigating factors that have put enormous pressure on the viability of GMH over time and to recommend solutions to help our hospital become strong again.

Sincerely,



DAVID P. LEDDY  
President



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March 11, 2013

**VIA EMAIL: [senatordrodriguez@gmail.com](mailto:senatordrodriguez@gmail.com)**

Senator Dennis G. Rodriguez, Jr.  
CHAIRMAN, COMMITTEE ON HEALTH & HUMAN SERVICES,  
HEALTH INSURANCE REFORM, ECONOMIC DEVELOPMENT  
AND SENIOR CITIZENS  
32<sup>nd</sup> GUAM LEGISLATURE  
Suite 107, 176 Serenu Avenue  
Tamuning, Guam 96931

**Re: Written Testimony for Bill No. 20-32**

Dear Senator Rodriguez and Members of the Committee:

Thank you for the opportunity to submit written testimony on Bill No. 20-23 ("Bill No. 20"). I am legal counsel to TakeCare Insurance Company, Inc. ("TakeCare") and provide these comments in that capacity. As noted herein, TakeCare does not support Bill No. 20 for a variety of reasons.

**I. Bill No. 20 Infringes Upon The Organic Act Power Of The Governor**

The Organic Act provides that the "Governor shall have general *supervision and control* of all the departments, bureaus, agencies, and other instrumentalities of the executive branch of the government of Guam."<sup>1</sup> Guam's Supreme Court has concluded that "the Governor's power of 'general supervision and control of all the departments, bureaus, agencies, and other instrumentalities of the executive branch of the government of Guam,' means that the Governor is vested with the overall *power to manage, direct, or oversee such entities*."<sup>2</sup> In regard to public health services in Guam, the Organic Act grants even broader powers to the Governor and states: "[T]he Governor shall *establish, maintain, and operate* public-health services in Guam, including hospitals, dispensaries, and quarantine stations, at such places in Guam as may be necessary . . ."<sup>3</sup> Should Bill No. 20 be passed into law, the Governor's ability to *establish, maintain, direct, oversee, control and operate* Guam Memorial Hospital Authority ("GMHA" or "Hospital") will be materially restricted.

<sup>1</sup> 48 U.S.C. Section 1422 (Emphasis added).

<sup>2</sup> In re: Request of Camacho, 2004 Guam 10 at ¶38 (Emphasis added).

<sup>3</sup> 48 U.S.C. Section 1421g(a) (Emphasis added).

First, Bill No. 20 transfers monetary control over Hospital revenue to be used for the Hospital in the GMHA HealthCare Trust and Development Fund ("Fund") to the Department of Revenue and Taxation and the Department of Administration.<sup>4</sup> The proceeds in the Fund are also not subject to the transfer authority of the Governor.<sup>5</sup> Furthermore, the proceeds of the Fund are "subject to legislative appropriation."<sup>6</sup> The Governor is hardly in "control" over the Hospital when he has no authority over substantial funds designated for Hospital purposes, which can only be used by the Hospital upon appropriation by the Legislature. Guam's Supreme Court has previously invalidated a statute that attempted to restrict the Governor's control over funds of an executive agency.<sup>7</sup>

Second, Bill No. 20 mandates that GMHA also establish a bank account apart from the government of Guam, from which the proceeds in the Fund shall be spent in accordance with a specific mathematical formula to pay certain designated providers and vendors, and to "subsidize the establishment and operation of either a Primary Healthcare Center or Urgent Healthcare Medical Center."<sup>8</sup> Eliminating any discretion of the Governor regarding the need for either a Primary Healthcare Center or Urgent Healthcare Medical Center, and the expenditure of Hospital funds is by definition delegating him to a mere "ministerial function." As noted in Bordallo vs. Baldwin,<sup>9</sup> the Governor's authority may not be limited to a "ministerial function." Obviously, the power of the Governor to "manage" and "control" the Hospital is substantially curtailed when the Legislature, not the Governor, is designating precisely how Hospital revenues are to be collected and spent.<sup>10</sup>

Third, Bill No. 20 requires that GMHA remain perpetually in debt. For instance proposed 10 G.C.A. Section 97103(a) of the Bill requires GMHA to obtain a line of credit, a revolving loan fund, and/or a direct loan agreement, and appropriates annually and indefinitely \$5,000,000 of the fees collected to pay the debt. Similarly, proposed 10 G.C.A. Section 97103(b) allocates up to \$500,000 annually and indefinitely to establish a Loan Payment Security Reserve Fund as security for the line of credit.

Fourth, Bill No. 20 requires that GMHA develop a plan to raise "new revenue generating specialty medical services." Whether it is in the interest of GMHA to

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<sup>4</sup> Bill No. 20, proposed 10 G.C.A. Sections 97102(d) and 97102(e).

<sup>5</sup> Bill No. 20, proposed 10 G.C.A. Section 97102(a).

<sup>6</sup> Bill No. 20, Id.

<sup>7</sup> In re: Request of Camacho, 2004 Guam 10 at ¶41.

<sup>8</sup> Bill No. 20, proposed 10 G.C.A. Section 97103(a) and (b).

<sup>9</sup> 624 F. 2d 932 (9<sup>th</sup> Cir. 1980).

<sup>10</sup> It should also be noted, that even though the current Governor may have no objection to the establishment and the disposition of the two (2) separate bank accounts, and a Primary Healthcare Center or Urgent Healthcare Medical Center, all outside of his control as provided for in Bill No. 20, subsequent Governors may object, and vehemently so. Therefore, subsequent Governors are likely to challenge the validity of Bill No. 20 as impinging on the Governor's authority over public health and the Hospital under the Organic Act. It should also be noted that neither term, Primary Healthcare Center or Urgent Healthcare Medical Center are defined in Bill No. 20.

attempt to raise new revenue via “specialty medical services” is a management decision for the Governor, not a legislative function. By requiring that the Governor operate the Hospital in a particular manner, the Legislature is infringing upon the Governor’s power to “manage” and “control” the Hospital.

Fifth, and most importantly, Bill No. 20 would permit the Hospital Administrator and Board of Trustees to outsource the “management” of either a Primary Healthcare Medical Services Center or an Urgent Care Center.<sup>11</sup> Moreover, this transfer of control over the Urgent Care Center to a third party could be for a period of up to 5 years, with the option to extend for another 5 years. Hence, Bill No. 20 purports to authorize the outsourcing of management of the Urgent Care Center in such a manner as to deprive both sitting and future Governors of control. It is a *per se* violation of the Organic Act for anyone but the Governor to have management authority or control over *any* aspect of Hospital operations.<sup>12</sup>

It is a “well-established principal in this jurisdiction that the Guam Legislature cannot enact laws which are in derogation of the provisions of the Organic Act.”<sup>13</sup> The “legislature may not enact a law encroaching upon the Governor’s authority and powers which are mandated in the Organic Act.”<sup>14</sup> Guam’s government is “constrained by the Organic Act” and the courts must “invalidate Guam statutes in derogation of the Organic Act.”<sup>15</sup> For the reasons, discussed above, it is respectfully submitted that Bill No. 20 infringes upon the Organic Powers of the Governor and, if enacted into law, it would be invalidated.

## **II. The 4% Assessment Fee Is An Inorganic Tax On Health Insurers**

Bill No. 20 purports to impose a 4% fee upon health insurance premiums for purposes of creating a GMHA Healthcare Trust and Development Fund. However, the proposed 4% “assessment fee” is more akin to a tax than a fee, because it would be imposed by the Legislature, not an agency, and bears only an attenuated relationship to any value received by the insurers. In addition, the imposition of a “fee” to recover the tax abatement provided for in Qualifying Certificates is an impermissible impairment of contracts.

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<sup>11</sup> Bill No. 20, proposed 10 G.C.A. Section 80122(a) and (f).

<sup>12</sup> It should also be noted that health insurance companies will no doubt challenge the validity of a law which forces them to subsidize clinics in direct competition to them. Proposed 10 G.C.A. Section 80122(e) requires the outsourced Primary Care Center or Urgent Care Center to accept patients on the same basis as GMHA. Why would anyone purchase insurance coverage when access to the clinic at GMHA will be free or subject to collection by GMHA on an as need basis?

<sup>13</sup> H.R. Rep. No. 105-742 (1998), 1998 WL 658802 at \*3; In re: Request of Camacho, 2003 Guam 16 at ¶5 n.5.

<sup>14</sup> In re: Request of Gutierrez, 2002 Guam 1 at ¶36.

<sup>15</sup> Haeuser v. Dep’t of Law, 97 F. 3d 1152, 1156 (9<sup>th</sup> Cir. 1996).

**A. The “Assessment Fee” Is More Akin To A Tax Than A Fee.**

A 2011 Decision issued by the U.S. Government Accountability Office notes that a “classic tax” is “imposed by the legislature,” whereas a “classic regulatory fee” is “imposed by an agency.”<sup>16</sup> The 4% fee in Bill No. 20 is one imposed by the legislature, not an agency, and, as such, is a “classic tax.”

The U.S. Government Accountability Office ruling also noted that: “If the ultimate use of the revenue benefits the general public, then the charge will be considered a tax; the charge will more likely be considered a fee if the revenue’s benefits are narrowly circumscribed.”<sup>17</sup> It is undisputed that the intended purpose of Bill No. 20 is to benefit the general public.

In Hawaii Insurers Council v. Lingle,<sup>18</sup> the Hawaii Supreme Court ruled that certain assessments were “fees,” rather than “taxes,” observing that, “[g]enerally, a fee is exchanged for a service rendered or a benefit conferred, and the amount of the fee normally bears a relationship to the value of the service or benefit.” The purpose of the proposed assessment in Bill No. 20 is to eviscerate the alleged “financial windfall” insurers have reaped by virtue of being exempt from the gross receipts tax on premium income.<sup>19</sup> There is no relationship whatsoever between the value of any service provided to health insurers under Bill No. 20 and the proposed 4% assessment. Hence, inasmuch as the fee is not related to any service provided to health insurers, it is more akin to a tax than a fee.

**B. The Assessment Fee Is An Inorganic Impairment Of Contracts.**

The Federal Constitution expressly prohibits legislation impairing the obligation of contracts.<sup>20</sup> Similarly, the Contracts Clause of the Guam Organic Act provides that “[n]o . . . law impairing the obligation of contracts shall be enacted.”<sup>21</sup> Thus, both the federal Constitution and the Guam Organic Act generally prohibit impairment of contracts.<sup>22</sup> Such provisions are deemed mandatory; they apply alike to all contracts and protect all obligations of such contracts from destruction or impairment by subsequent legislation.<sup>23</sup>

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<sup>16</sup> United States Government Accountability Office, Decision: Matter of Administrative Office of the U.S. Courts – California E-Waste Recycling Fee, File: B-320998 (May 4, 2011) at 6-7; San Juan Cellular v. Public Service Commission, 967 F.2d 683, 685 (1<sup>st</sup> Cir. 1992).

<sup>17</sup> *Id.* at 6-7.

<sup>18</sup> 120 Haw. 51, 201 P. 3d 564, 572 (2008).

<sup>19</sup> Bill No. 20, proposed 10 G.C.A. Section 1 at 3 ll. 5-7.

<sup>20</sup> U.S. Const. Art. I, § 10.

<sup>21</sup> Title 48 U.S.C. § 1421b(j).

<sup>22</sup> See Washington Teachers’ Union Local No. 6, American Federation of Teachers, AFL-CIO v. Board of Educ. of the District of Columbia, 109 F.3d 774 (D.C. Cir. 1997) (holding that the District of Columbia is subject to the contract clause of the United States Constitution) U.S.; 16A C.J.S. Constitutional Law § 424.

<sup>23</sup> 16A C.J.S. Constitutional Law § 424.

In the instant case, TakeCare was issued a Qualifying Certificate (“QC”) for a period of 20 years, which includes an abatement of the 4% gross receipts tax on premium income. “A QC, once issued, shall be a *contract between the government of Guam and the Beneficiary*, and the tax rebates or abatements or both set out in the Certificate *may not be curtailed, limited or impaired without the consent of both parties* by any subsequent act, except as provided herein.”<sup>24</sup> TakeCare’s QC, therefore, is a binding contract that is irrevocable absent consent. It is equally clear that the tax abatement in the QC is an instrumental part of the contract, and not merely an indirect or incidental promise.

The fact that there is a direct link between the assessment in Bill No. 20 and the QC tax abatement cannot be disputed. As indicated above, one of the stated rationales of Bill No. 20 is to eviscerate the perceived “significant financial windfall” insurers have reaped by virtue of being exempt from the gross receipts tax on premium income.<sup>25</sup> Thus, the Legislature has itself confessed that the clear intention of Bill No. 20 is to effectively curtail the benefit of the QC’s GRT abatement. Any judicial body will undoubtedly conclude that the intent of Bill No. 20 is to collect via an assessment the contractual abatement granted to TakeCare in its QC. Courts have routinely invalidated legislation that results in a government reneging on a contract for tax abatement.<sup>26</sup>

### III. Bill No. 20 Would Expose the Government to Liability Claims

As opined above, the government’s conferral of a QC clearly creates vested contract rights, by statute.<sup>27</sup> “In every express contract, there is an implied duty on an obligee not to obstruct, hinder, or delay, but on the other hand, he is requested to in all ways facilitate performance of the requirements of the contract.”<sup>28</sup> Clearly, it is a violation of this covenant for the Government to prospectively take away, under the guise of a “fee,” the identical tax benefit conferred in a prior contract.

As a Comment to the Restatement (Second) of Contracts makes plain, “[s]ubterfuges and evasions violate the obligation of good faith performance even though the actor believes his conduct to be justified.”<sup>29</sup> The rouse of imposing a new tax after contracting to abate an identical one amounts to a subterfuge or an evasion.

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<sup>24</sup> 12 GCA § 58107, emphasis added).

<sup>25</sup> Bill No. 20-32(COR), *Id.* p. 3).

<sup>26</sup> See Hilton Hotels Corp. v. Jefferson Parish, 258 La. 709, 247 So. 2d 843 (1971) (parish ordinances repealing action which abated the tax for the benefit of the district violated constitutional provision that no law impairing obligation of contracts or divesting vested rights should be passed); Pierce County v. State, 159 Wash. 2d 16, 30, 148 P.3d 1002, 1011 (2006) (“a contract is impaired by legislation which alters its terms, imposes new conditions, or lessens its value.”).

<sup>27</sup> 12 G.C.A. § 58107, emphasis added).

<sup>28</sup> Transnational Ins. Co. v. Rosenlund, 261 F. Supp. 12, 21 (D. Or. 1966); Northeast Clackamas County Elec. Co-op. v. Continental Cas. Co., 221 F.2d 329 (9th Cir. 1955).

<sup>29</sup> Comment d, Restatement (Second) of Contracts §205; Witkin, *supra* §744.

Senator Dennis G. Rodriguez, Jr.  
March 11, 2013  
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In 2000, the U.S. Supreme Court addressed a somewhat analogous situation in which two oil companies sought restitution of \$156 million they had paid the Government in return for lease contracts giving them rights to explore for and develop oil off the North Carolina coast. The rights were not absolute, but were conditioned on the companies' obtaining a set of further governmental permissions. The companies claimed that the Government repudiated the contracts when it denied them certain elements of the permission-seeking opportunities that the contracts had promised. The Supreme Court agreed, and held that "the Government broke its promise; it repudiated the contracts; and it must give the companies their money back."<sup>30</sup>

The court's ruling was based in part on the Restatement of Contracts, which specifies that, when one party to a contract repudiates that contract, the other party "is entitled to restitution for any benefit that he has conferred on" the repudiating party "by way of part performance or reliance."<sup>31</sup>

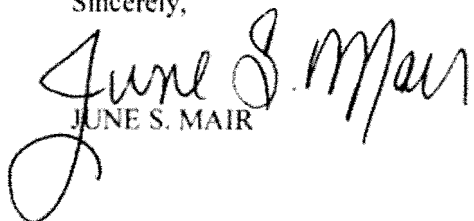
Similarly, in the instant case, should Bill No. 20 be passed into law TakeCare would be entitled to recover pursuant to the Claims Act "all expenses incurred" in reliance upon a contract to which the Government of Guam is a party together with "expectation damages."<sup>32</sup> That would include the value of the tax abatement over the remainder of the 20-year term, together with reliance damages, such as amounts invested in the community pursuant to the QC, but prorated based on the substantial abatement benefits received prior to the breach.

### CONCLUSION

In conclusion, TakeCare respectfully submits Bill No. 20 should not be passed into law. It infringes upon the Governor's Organic Act powers; impairs the contractual obligations provided for in TakeCare's QC; and, exposes Government of Guam to liability in a breach of contract claim. The Guam Legislature would be well-advised to seek a legal opinion from the Attorney General of Guam on the legal issues raised by Bill No. 20.

If you have any questions regarding these comments, you may contact me by email at [jmair@mmstflaw.com](mailto:jmair@mmstflaw.com), or by telephone at 472-2089.

Sincerely,

  
JUNE S. MAIR

cc: TakeCare Representatives  
JSM:DAM/vrs:org  
L134003 JSM

<sup>30</sup> Mobil Oil Exploration & Producing Se., Inc. v. United States, 530 U.S. 604, 608, 120 S. Ct. 2423, 2429, 147 L. Ed. 2d 528 (2000).

<sup>31</sup> *Id.*, citing Restatement (Second) of Contracts § 373 (1979).

<sup>32</sup> 5 G.C.A § 6105(a).



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March 8, 2013

**VIA EMAIL: [senatordrodriguez@gmail.com](mailto:senatordrodriguez@gmail.com)**

Senator Dennis G. Rodriguez, Jr.  
CHAIRMAN, COMMITTEE ON HEALTH & HUMAN SERVICES,  
HEALTH INSURANCE REFORM, ECONOMIC DEVELOPMENT  
AND SENIOR CITIZENS  
32<sup>nd</sup> GUAM LEGISLATURE  
Suite 107, 176 Serenu Avenue  
Tamuning, Guam 96931

**Re: Written Testimony for Bill No. 20-32**

Dear Senator Rodriguez and Members of the Committee:

Thank you for the opportunity to submit written testimony on Bill No. 20-32 ("Bill 20"). My name is Jeff Larsen, Chief Operating Officer for TakeCare Insurance Company, Inc. ("TakeCare") and will provide comments in my capacity on behalf of the company. As noted herein, TakeCare does not support Bill 20 for a variety of reasons.

**I. 4% fee will be passed on to consumers absorbing an already heavy burden for rising health insurance costs under "Obamacare"**

"Obamacare" has done much to reform health insurance in the United States and along with those reforms comes a significant cost burden for policy holders. No one will argue against the merits of providing health insurance to more people, covering children to age 26, guaranteeing issuance of policy and removing requirements for eliminating pre-existing conditions among others. As more essential health benefits are required and more people are being added to health insurance policies, those costs will be absorbed by the consumer through rising insurance premiums. Adding 4% on top of the rising trend of health care costs will put the affordability of health insurance out of reach for some and cause others to drop insurance coverage altogether and seek additional government services to support their health care needs. This would seem contrary to the intent of this legislation and the unintended consequences would place further strain on public resources.

Insurance companies simply cannot absorb the 4% fee on top of the medical loss ratio (MLR) requirements which require us to spend 80-85% of every premium dollar towards cost of health care. Therefore the 4% fee assessment will be passed through to policy holders in the way of premium increases.

**II. 4% fee will apply to all health insurance customers even if they do not use GMH services creating an unfair and disproportionate "tax" on consumers.**

Bill 20 provides for the establishment of the Guam Healthcare Trust and Development Fund which funnels 4% of all fees collected on health insurance premiums to this fund. The truth is, Bill 20 imposes a tax because the 4% is collected from everyone paying premiums and some will not benefit directly from amount collected.

Fees are paid for government services that directly help that specific person(s) the fee targets. For example, a driver paying a fee for the privilege of having a driver's license is a fee and the driver obviously is getting the direct benefit of the license allowing him to drive. Another example would be a resident who pays a fee to have a municipal water connection at their home and pays a fee to the city for city water and benefits directly from its usage.

Taxes on the other hand are paid for government services that are supposed to benefit everyone. So the idea is we pay taxes and they go into a pool where funds are used for education (and) infrastructure, roads etc.. The difference here is whether the person who is paying the charge directly benefits: In that case, it's a fee. Or if they benefit as well as everyone else benefits, that's a tax.

Bill 20 is clearly a tax as those paying the fee will not benefit directly from it. There are customers who pay health insurance premiums who will never set foot inside GMH and will never benefit from the 4% tax imposed on health insurance premiums. This creates an unfair, discriminate, and disproportionate tax on health insurance customers.

**III. GMHA can (and should) be reformed to improve its financial condition without the imposition of the taxes imposed by Bill 20.**

As the island's only public hospital, GMHA serves insured and non-insured patients alike. Currently the hospital's payer mix is comprised of 35% commercially insured patients and 65% uninsured, self-payers, or public payers such as Medicaid, Medicare and MIP. The hospital collects less than 42% from public payers and self-insured, and an average of 82% from commercially insured payers. If the hospital is truly set on reform then it should aim its focus on addressing the collection disparity from the public payers and self-insured patients as there is far greater opportunity to collect revenue from those sources than the amount of tax revenue Bill 20 will funnel towards the Healthcare Trust and Development fund.



Despite the establishment of the Healthcare Trust and Development fund under the federal **Emergency Medical Treatment and Active Labor Act (EMTALA)** the hospital is required to treat all patients. EMTALA requires most hospitals to provide an examination and needed stabilizing treatment, without consideration of insurance coverage or ability to pay, when a patient seeks emergency room attention. If Bill 20 passes and commercial insurance companies are required to pay the taxes imposed, there is no mechanism inside the fund that would advantage commercially insured patients directly. Moreover the tax funds could be allocated to benefit the exact opposite population at GMHA it was intended to benefit and go directly to benefit self-payers, uninsured, Medicare, Medicaid and MIP patients.

Bottom line is that proof of GMHA's ability to reform will be in their ability to address public payers, self-insured billing and collections issues. These elements of GMHA should be reformed prior to the passage of Bill 20 and the establishment and development of the Healthcare Trust and Development funds to determine the efficacy and appropriateness of allocating any additional tax dollars from commercially insured consumers. Creating the tax burden first and then throwing money at GMHA will not solve its problems, but will only serve to make it even more financially dependent on subsidies and tax revenue to survive.

**IV. The establishment of primary care and urgent care services through GMHA will only further impair the hospital financially, especially when those services are currently available commercially.**

The intention of establishing a primary care and urgent care operation sounds like a good idea, but when you peel back the layers of operating these services in an already strained and challenged hospital environment you just get more of the same results we see today at GMHA.

Billing and collections of self-insured and public payers will still be required for these services. Until the hospital improves its billing and collections operations, the inability to collect for services it renders will still exist, further impairing the hospitals ability to focus on patient care for its core emergency room and inpatient functions.

Primary care and urgent care choices commercially exist for patients today and for GMHA to further expand into these areas without having addressed its core function will only further strain the existing system. Most commercially insured patients already have established relationships with a community primary care physician today. What will result from the establishment of GMHA's primary care or urgent care services are more self-insured, and public payer patients seeking these services at GMHA which exacerbates the current situation with the inability to collect from this payer mix. This is not good public policy and is not good governance and use of tax revenues.

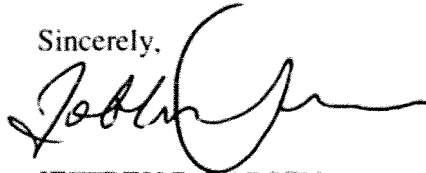
Senator Dennis G. Rodriguez, Jr.  
March 8, 2013  
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### CONCLUSION

In conclusion, TakeCare respectfully submits Bill 20 should not be passed into law. The Bill imposes a discriminatory tax that consumers of health insurance should not be asked to shoulder without a clear and viable path to solving GMHA's financial and operational challenges. GMHA can and should be reformed, but that reform can occur without the heavy hand of government taxes imposed in Bill 20. Let's use existing mechanisms and resources available to solve issues before we throw more money at the problem. For the reasons stated above, Bill 20 is not good governance and is the wrong way to go about fixing GMHA.

If you have any questions regarding these comments, you may contact me by email at [jeffrey.larsen@takecareasia.com](mailto:jeffrey.larsen@takecareasia.com), or by telephone at 300-7107.

Sincerely,



JEFFREY P. LARSEN  
Chief Operating Officer  
TakeCare Insurance Co.

cc: TakeCare Representatives



115 Chalan Santo Papa Hagåtña • P.O. Box FJ Hagåtña, Guam 96932 • Phone: (671) 477-9808 • Fax: (671) 477-4141

March 11, 2013

The Honorable Dennis G. Rodriguez Jr.  
Chairman Committee on Health & Human Services, Health Insurance Reform, Economic  
Development, and Senior Citizens  
Suite 107, 176 Serenu Ave.  
Tamuning, Guam 96931

Re: **Testimony on Bill 20**  
**The GMHA Healthcare Trust and Development Act of 2013**

Dear Senator Rodriguez and committee members:

Thank you for the opportunity to provide you with our views on the aforementioned bill. At the onset, we would like to provide some background information and recognize that the Guam Memorial Hospital, our only civilian and safety net hospital, faces significant challenges that are mainly derived from the unfunded mandate of providing care to everyone regardless of the ability to pay.

Hospitals that treat a disproportionately large number of patients who cannot pay for part or all of their care are known as safety-net hospitals, and they have relied on subsidies provided by the federal and local governments to help defray costs. The federal Government has an assistance program known as DSH payments, for disproportionate share hospital, and the program is critical to helping hospital's finances, but the Healthcare Reform Law may phase out this program.

Just as on Guam, most county and rural hospitals throughout the nation including California continue to face challenges due to payment shortfalls, shortages in key areas of the workforce, unfunded mandates, increasing regulatory burden, and the continued escalation of technology costs, including health information technology. Additionally, Medicare and Medicaid payments do not fully cover the cost of care, hospitals are concerned about the future sustainability of services required by an American public that is aging and experiencing a higher rate of chronic disease.

According to the National Rural Health Association, 41 percent of the nation's critical access hospitals are losing money. The American Hospital Association has updated its annual trend data on hospital uncompensated care. In fiscal year 2011, hospitals provided \$41.1 billion of uncompensated care, including both bad debt and charity care. This represented 5.9% of overall hospital expenses. NAPH members delivered 20 percent of the uncompensated care provided by U.S. hospitals in 2010, even though they represented only 2 percent of the nation's total number of acute care hospitals. Perhaps the most basic definition of a safety net hospital is one that has an "open door" policy to all individuals regardless of their ability to pay.

The honorable Dennis G. Rodriguez Jr.  
March 11, 2013  
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GMHA's problems can be identified as follows:

**Finances:**

A significant problem for GMHA is its uncompensated care, which seems to drastically outpace national averages of around 6%. According to GMHA's ATB as of September 30, 2012 the receivables were broken down as follows:

- Government including Medicaid, MIP, Medicare, GovGuam, Federal Government and other Governments owed \$51,086,034 or 23%,
- Third party payers or private insured \$9,770,481 or 4%
- Self payers \$165,987,066 or 73%
- Total of \$226,843,581 outstanding receivables

It is quite evident that GMHA needs to do a better job at collecting from self-payers and Governments programs, which together account for 96% of the accounts receivable reported by GMHA and should bring these amounts of uncompensated care more in line with national standards.

**Operations:**

GMHA seems to have higher numbers of employees than national averages. According to data from Healthcare Management Partners', HMP Metrics Quarterly Report of 2010 on hospital employment, hospitals were broken according to quartile rankings assigned based on the mean values calculated for the hospitals within peer groups. The first quartile contains the top 25 percent of the best performing hospitals in an applicable peer group and the fourth represents those falling below 76 percent. FTE reflects full-time equivalent staff per adjusted occupied bed. The results were as follows:

- 1st Quartile: 3.45 FTE
- 2nd Quartile: 4.37 FTE
- 3rd Quartile: 5.12 FTE
- 4th Quartile: 6.48 FTE

It seems that GMHA has a significantly larger number of FTEs than even hospitals that fall within the fourth quartile, and GMHA should work on bringing the number of FTEs to more reasonable levels.

**Underpayment by Government Programs:**

It is well documented that because of TEFRA, GMHA has been limited to the amount of reimbursements that Medicare and other programs, such as Medicaid and MIP, make. It appears that even the Commonwealth Health Center, CHC, receives higher reimbursements from Medicare for a similar case. Government programs constitute a significant part of the utilization at GMHA and this disproportionate amount of low reimbursements is troublesome and challenging for GMHA.

The honorable Dennis G. Rodriguez Jr.  
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Based on the above information, it appears that GMHA has significant latitude to work on each of the aforementioned challenges, and should focus its resources on doing so.

In summary, GMHA should make considerable efforts to reduce its outstanding receivables from self-payers; it should bring its FTEs work force in line with national standards, and should work on getting Medicare and other government programs to increase their payments to GMHA. These actions alone should significantly improve GMHA's financial condition.

The proposed legislation increases premiums by four percent (4%) to the insured population who already pay GMHA higher amounts on a per charge basis than those under Government programs and evidently self-payers. The privately insured population will also face additional taxes from healthcare reform starting on 2014 such as: the annual fee on insurers, the patient comparative research fee, and higher Medicare taxes. Furthermore, the insured population pays GMHA more promptly than Government programs and the self insured, and provides a significant cash flow financial assistance to GMHA. The insured population has for many years subsidized GMHA due to the cost-shifting from the lower reimbursed government programs and the poor collection rates from self-payers.

Increasing rates or fees to the insured population is essentially penalizing the individuals and employers that help GMHA the most and who already pay higher rates due to cost-shifting. The Guam Memorial Hospital may need subsidies, but any subsidy should be better spread amongst the entire population rather than just penalizing insured ones.

As a result of the issues stated above, we cannot support bill 20 and urge that you find a more equitable subsidy source for GMHA. Please let us know of any questions that you may have.

Respectfully yours,

  
Frank J. Campillo  
Health Plan Administrator



Senator Dennis G. Rodriguez, Jr.  
Chairman  
Committee on Health and Human Services,  
Health Insurance Reform, Economic Development,  
and Senior Citizens  
32<sup>nd</sup> Guam Legislature

Re: **Bill 20-32 - AN ACT TO ESTABLISH “THE GMHA HEALTHCARE TRUST AND DEVELOPMENT ACT OF 2013”**

Dear Chairman Rodriguez:

We appreciate the opportunity to respectfully submit the following written testimony in opposition to the above-captioned bill.

*Qualifying Certificate Program*

Bill 20 declares several express and implied grounds to indirectly terminate the qualifying certificate program as applicable to Guam domestic insurers. Bill 20 identifies and discusses the health insurance premiums that have been collected and paid on Guam over the last six years. However, after simply taking “due note” of the implementation of the qualifying certificate program, Bill 20 concludes without much discussion that the *program*: has reduced the tax revenue of the government, has caused significant financial windfall for domestic insurance companies, and has not resulted in reduced premiums for consumers. Bill 20 further alleges that the indirect termination of the program should not now overly burden or otherwise impact domestic insurance companies.

The foregoing conclusions and allegations are misguided and reflect a complete misunderstanding of the qualifying certificate program. Public Law 23-109 was enacted on July 26, 1996, authorizing the issuance of qualifying certificates to Guam insurers. The program’s extension to Guam insurers was designed to broaden Guam’s economy:

The Legislature finds that it is desirable to broaden the base of the Guam economy to include more than tourism and military base employment, and that one of the most attractive economic opportunities available to the island is to utilize its unique geographic location to become a financial/insurance capital of the Pacific . . . .

Legislative Findings and Intent, Public Law 23-109.

We believe it is an agreeable proposition to continue to review industries subject to the qualifying certificate program, to determine the extent of its maturity and whether the objectives of inclusion in the program have been accomplished. Indeed, there has been much discussion over recent years on the maturity of the hotel facilities industry, and whether the application of the program to such industry should cease. These discussions, however, have appropriately occurred in the context of the industry's participation in the program. Such discussions and debate have and *must* include the industry's contributions to the local economy, and the foreseeable benefits of its continuation in the program.

Bill 20 attempts to indirectly terminate the program for Guam insurers without any appropriate analysis of the industry's maturity and the projected benefits of the program's continuation. The benefits of the program for Guam insurers are unmistakable.

Prior to participation in the program, the domestic insurance industry consisted of a small cottage industry of local general agencies. By encouraging the expansion of the industry, the program has assisted in the development of local talent in such fields as actuarial studies, underwriting, claims adjudication, accounting, NAIC audit and reporting, policy holder service, marketing, product development, and legal expertise. These highly skilled occupations have been filled by local residents in a new dynamic industry. Domestic insurance companies have also been able to compete against large multinational corporations in price and product. The program has leveled the playing field and as a result benefitted the entire community.

We submit that the success of the program's application to Guam insurers, while undeniable, did not occur overnight. The process of securing investment capital to initiate and establish a stable domestic insurance industry is a complex endeavor. This complexity certainly deserves more discussion than a mere recital of the opportunity cost of loss gross receipts taxes. Bill 20 completely disregards the offsetting benefits of increased skilled job growth, income tax collections, and the numerous other economic benefits of establishing a new and thriving domestic insurance industry.

Bill 20 also seeks to justify the termination of the benefits of the program by declaring on one hand that the program has not resulted in a reduction of premiums for consumers, while ignoring on the other hand the impact of Bill 20's assessment fee on consumers. Instead, Bill 20 simply presumes the impact can be and will be absorbed by insurance companies. The natural design and function of insurance premium pricing requires a systematic comparison to *actual* results with action taken as necessary to rectify any significant deviations from *expected* results. Actuarial assumptions on margins for solvency purposes will change if the benefits of the qualifying certificate program are eliminated.

It is unclear what data Bill 20 is relying upon to declare that the program has not benefitted consumers of health insurance products. We do believe however that Bill 20's assessment fee will have an undeniable impact on premiums for consumers. We must recognize that recent federal and state policies have focused on every available avenue to

increase health insurance coverage and benefits, even at the cost of potential increases in premiums. As drafted, Bill 20 will unilaterally increase premiums with no commensurate policy affecting the availability of benefits and coverage. Under the stated purpose of assisting a historically inefficient government managed hospital, Bill 20 will only reduce access by Guam consumers to affordable health insurance coverage.

### *Underfunded*

Instead of eliminating the benefits of the qualifying certificate program in the context of discussing and debating the maturity of the domestic insurance industry, Bill 20's justification rests on the declaration that the Guam Memorial Hospital is "underfunded" and needs an additional multi-million dollar revenue source.

The financial condition of the hospital is not a new phenomenon, and the label of "underfunded" tends to oversimplify the historical inefficiencies in management at the root of the hospital's recurring financial crisis. While we recognize the author's intent to assist the hospital in crisis the method of assistance is bad public policy and, more importantly, does not solve the core issue affecting the hospital's fiscal woes.

Quite simply, the hospital's operational budget continues to unreasonably exceed its revenue generation. The 2011 audit reflected a \$105 million operational budget. While the hospital generates \$140 million in billings it collects \$75 million in revenues. There is a litany of reasons that go back for decades as to why the hospital has continuously failed financially to meet its obligations. None of these reasons can be traced to one of the primary funders of the hospitals revenue, domestic insurance companies. While the ratio of hospital billing collections appears relatively low, it actually exceeds many successful hospitals that focus on controlling expenditures, particularly labor costs.

The Guam Memorial Hospital has 1,000 employees servicing an institution with 148 beds. If the hospital were running at industry standards it would be recording a net profit based on its current revenue. The hospital is not underfunded. The hospital is riddled with over-employment and labor costs more than double the industry average.

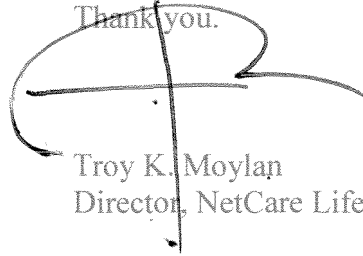
We are mindful of the nature of our political system, and we understand the complexity of Guam's environment which makes it extremely difficult to resolve complicated government institutional deficiencies, especially when it concerns civil service personnel. Attempting to realign personnel through the civil service process is an enormous political task that has been attempted on several levels with little or no success.

Nevertheless, we also firmly believe that we cannot pretend to repair an unstable institution by subsidizing operational debt through the taxation of any particular industry, while permitting such operational debt to continue to accumulate unabated. We would welcome a renewed discussion and participation in determining the public policies best suited to permanently eliminate the hospital's financial crisis, whether such policies include a focus on reorganization, partial privatization, or a wholesale privatization of the hospital.



Mr. Chairman and members of this Committee, we respectfully request your support to defeat Bill 20 in its present form and to introduce a new and more permanent solution to the hospital's financial crisis.

Thank you.

A handwritten signature in black ink, appearing to read 'Troy K. Moylan'. The signature is written over the printed name and title.

Troy K. Moylan  
Director, NetCare Life and Health Insurance Company

Senator Dennis G. Rodriguez, Jr.  
Chairman  
Committee on Health and Human Services,  
Health Insurance Reform, Economic Development, and Senior Citizens  
32<sup>nd</sup> Guam Legislature

Re: **Bill 20-32 - AN ACT TO ESTABLISH "THE GMHA  
HEALTHCARE TRUST AND DEVELOPMENT ACT OF 2013"**

Good Morning Chairman Rodriguez and members of the Committee:

We respectfully appreciate the opportunity to submit the following written testimony in opposition to the above-captioned bill.

The intent of the Guam Economic Development Authority qualifying certificate program was to create new industries by attracting them with tax incentives which would foster economic growth on island. The program has worked successfully. In 1970 there were very few hotel rooms on Guam. Today, there is a thriving Hotel and Tourism industry that has invested \$1.8b in capital improvement, created 10,000 jobs and is the key economic engine for the island. Thanks in large part to the QC program these early investors took a chance on Guam and helped build it into a thriving international destination.

The QC program has been expanded by this August body to include a host of other industries Guam hopes to turn into economic engines. One of those new areas hoping to fuel economic growth has been the creation of a domestic insurance industry. From a small cottage industry of local general agencies the QC program allowed local businesses to create domestic insurance companies. With the benefit of the QC program locally owned domestic insurance companies can now compete against the large multinational corporations in price and product. This leveled the playing field and as a result benefited the entire community. More choices more coverage's.

But unlike our successful mature hotel QC holding friends we in the domestic insurance industry are still in our infancy. We are developing local talent in such fields as actuarial studies, underwriting, claims adjudication, accounting, NAIC audit and reporting, policy holder service, marketing, product development, legal expertise, etc. Levels of skill not before seen or recognized on island before the creation of the QC program and would not have been achievable but for the QC program. These are local jobs filled by family and friends in a new dynamic industry. Kids with math and science skills can

secure great jobs in our industry and are no longer regulated to engineering. It is an industry that can help reverse the brain drain this island has long experienced. The best and brightest have an industry locally that needs them.

The QC program has allowed us to develop local talent to run complex insurance operations. It has allowed us to create new health, life and property and casualty plans that meet our island and our regions needs. And more importantly has allowed us to price our products competitively against large multinational insurance organizations.

Without the QC program insurance prices would be higher. Thus, the repeal of the benefits as stipulated under Bill 30-32 would cause insurance health care premiums to raise. This will affect the consumer who is already hurting under the daily pressures from increases in water, power, sewer, and gas rates not to mention associated increases in the cost of living for almost every other need. But health care represents a large portion of their salary deduction and a critical need to everyone. Raising cost could place those with insurance into a decision not to purchase and thus put them unnecessarily in harms way. It also creates and unfair playing field since larger multinational corporations would be given greater penetration because they could offer lower premiums. The loss in revenue to local domestic carriers would mean a loss in jobs. Local high skilled jobs that are coveted anywhere else in the world.

While we recognize the author's intent to assist the Hospital in crisis the method of assistance is bad public policy and more importantly it does not solve the core issue affecting the hospital's fiscal woes.

The short-term solution for the hospital rests internally with the hospital. Its operational budget far exceeds its revenue generation. The 2011 audit reflected a \$105 million operational budget. While the hospital generates \$140 million in billings it collects \$75 million in revenues. There is a litany of reasons that go back for decades as to why the hospital has continuously failed financially to meet its obligations. None of it has to do with domestic insurance companies so why are we being penalized? It's like taxing hotel's to pay for prisons or taxing doctors to pay for roads and bridges. It just doesn't make any sense.

The latest hospital status report indicates that the hospital operational shortfall is \$9 million dollars. With the Governor recently reporting during the State of the Island Address a \$10 million dollar surplus a quick solution would be to kindly grant the Governor transfer authority to alleviate this crisis. Another

simpler solution would be to have GMH recover the \$9 million for its current outstanding collectables.

However, these are short-term solutions. The long-term solution for the hospital problems is privatization. GMH has hit the cross roads that GTA faced not too long ago. GTA was no longer able to compete in the telecom market and the longer the government held the asset the further behind the 8 ball it got. To get out in front and give GTA a chance to survive, the government authorized the sale of that asset. No one believed it could be done but with a concentrated effort from a great many folks both inside GTA and out, the privatization effort was successful. The hospital faces the same issues. The market is eating the hospital apart. To be competitive and offer more services the hospital needs to be privatized. It can no longer survive as a government run institution.

If the hospital were running at industry standards it would be recording a net profit based on its current billings instead of a loss. Attempting to realign personnel through the civil service process is extremely difficult. It has been tried and it has failed miserably. Government is not set up to run effectively as there are too many hurdles to overcome. These barriers to proper management prevent GMH from achieving success under a government enterprise.

Mr. Chairman and members of this committee we ask for your support to DEFEAT Bill 20-32 in its present form and to introduce a new permanent solution to GMH fiscal woes via privatization.

Thank you.

A handwritten signature in black ink, appearing to be 'Bobby A. Shringi', enclosed within a hand-drawn oval.

Bobby A. Shringi  
Moylan's Insurance  
[bshringi@moylans.net](mailto:bshringi@moylans.net)  
472-3610 ext. 236

**GUAM MEMORIAL HOSPITAL AUTHORITY  
PRESS RELEASE CONCERNING BILL 20-32  
"THE GHMA HEALTHCARE TRUST AND DEVELOPMENT ACT OF 2013"**

The Board of Trustees, Leaders, Members of the Medical Staff and Employees of Guam Memorial Hospital Authority ("GMHA") appreciate the creation of a funding resource as defined in Bill 20-32 ("Bill 20") also known as "The GMHA Healthcare Trust and Development Act of 2013".

Bill 20 recognizes that the Organic Act of Guam mandates the Government of Guam to provide medical care services regardless of a patient's ability to pay or availability of medical insurance coverage. Bill 20 provides revenues for:

1. A line of credit, revolving loan fund, and/or a direct loan agreement for payment of outstanding debts for supplies, pharmaceuticals, staff and physicians.
2. Funding the development and start-up of a Primary Care Center or an Urgent Care Facility.
3. Subsidize the cost of unpaid or underpaid medical care services to Medically Indigent Program patients, Medicaid patients, and self-paying patients utilizing the Primary Care Center or Urgent Care Center.
4. A Loan Payment Security Reserve Fund.

During its fiscal year ending September 30, 2012, over 70% of the care provided to its patients who had governmentally-provided insurance (Medicare, Medicaid, or MIP (Medically Indigent Program)), or were self-insured or uninsured. Funding from the Government of Guam, the Federal Government and from patients did not allow GMHA to meet its financial obligations. Even if GMHA collected 40% of the \$21 million charged to self- and un-insured patients, total collections would not be adequate to pay outstanding liabilities.

GMHA has reported over 46,000 annual visits to its Emergency Department in its fiscal years ending 2011 and 2012. Over 70% of these patients had similar insurance coverage to the statistics mentioned above.

The GMHA Board of Trustees and its executive leadership are acutely aware of GMHA's financial condition and its cash needs. With the recruitment of a seasoned Chief Executive Officer and Chief Financial Officer in August and December of 2012, the Board of Trustees expects organizational and fiscal leadership to provide fiscal stability to GMHA.

The Board of Trustees recognize, however, that a "magical pill" will not return GMHA to fiscal solvency or provide adequate funds to pay the liabilities that have grown because of under-funding, under-reimbursement and inadequate collection procedures.

The Board of Trustees and GMHA's executive leaders have taken concrete steps to resolve the fiscal issues including:

1. Conversion to a pharmaceutical utilization and treatment tracking computer system (also known as EMARS) as part of its clinical software program "IMED";
2. Converting to a new Revenue Cycle software system in April 2013 for registering patients, billing claims, and collections;
3. Identification of a software solution for GMHA's materials management, human resource and fiscal management software with a conversion planned for late Calendar 2013; and,
4. Initiation of fiscal processes to improve registration, billing, collections for receivables from insurance companies, insured patients and self-insured patients. Additional details regarding these initiatives will be presented to the Board of Trustees in its February meeting and shortly after to legislative leaders.

GMHA executive and department leadership are presently gathering fiscal data and projections for the Fiscal 2014 budget that will be presented to the legislature by March 31, 2013. The budget process includes requests for capital assets as well as staffing for new revenue generating specialty medical services as envisioned by Bill 20.

With regards to the development of a Primary Care Center or Urgent Care Center, GMHA is reviewing space utilization in its expanded Emergency Department. It is important to remember that GMHA has trauma physicians who provide clinical care to presenting trauma patients. Recognizing that all patients using the Emergency Department services do not have acute medical conditions requiring Board-Certified trauma physicians, GMHA is investigating alternative clinical staffing.

In conclusion, Bill 20 provides GMHA with a new funding mechanism for reducing the hospital's outstanding liabilities after GMHA demonstrates its commitment to appropriately bill and collect for the services provided to the population and visitors of Guam.

**Sen. Rodriguez Sponsor statement on Bill 20-32, as substituted**  
**May 23, 2013**

This is our 2<sup>nd</sup> hearing on Bill 20 –the GMHA Healthcare Trust and Development Act of 2013.

The reason for this is that the funding mechanism for this act has changed. But let there be no mistake....our primary purpose is still to get Guam Memorial Hospital on solid financial footing.

The debt has the potential to create a grave financial crisis at our island's only civilian hospital. Today, you will hear our Hospital Administrator tell us again, that the debt of GMH is one of the most serious threats to the operation of our hospital.

And that financial crisis could undo the forward progress that has been made –and continues to be made--- on management and operational reforms at the hospital.

It can also impact everyone who relies on GMH: ...whether they rely on it for care as a patient ....or rely on it for their livelihood as employees, service providers or vendors.

Only by creating financial sustainability ....can we also continue down the road of management reforms and operational changes that are critical to turning around the hospital.

A few months ago, In January of this year, when I introduced the original version of this bill we had our best chance of doing just that.

But instead the health and well being of GMH ...and the health and well being of the people of Guam... was taken hostage by the insurance industry that made it clear that despite the millions of dollars in tax-free income they make, they were not willing to help our ailing hospital.

So...here we are....once again today....to talk about our next best shot at achieving success.

When it was announced that amusement gaming devices that once provided the government with millions of dollars in tax revenue will again be licensed.....I saw the opportunity to capture this funding stream and direct it to GMH.

So I immediately began working on this substitute version of Bill 20.

It directs that those millions of dollars in taxes collected be used to address the financial crisis at our public hospital. Let the record reflect that these devices have been licensed by DRT in April of this year and continue to licensed today.

It is my hope that today...right here...right now..... we can settle those differences....once and for all.

It is my hope that the people of Guam and their only public hospital are not held hostage a second time.

At one time in my private sector experience included licensing and operating these amusement devices.

I have long since moved on from that. But I understand their potential to help our hospital.

In the last 3 years they were licensed, ...these devices collected an average of more than \$29 million a year in gross receipts. And during that time they generated more than \$3.5 million in just GRT alone.

This does not even take into account the annual licensing fees or the taxable income they generate for their owners.

Today ...these gaming devices are again licensable products in Guam.

And whether one personally likes them or not...they are here...they are in operation....and they are generating tax revenue for the people of Guam.

Tax revenue that could go to help our hospital.

So for the sake of our hospital...for the sake of the health and well-being of our people... I urge that these devices be looked at for what they are:

....a source of badly needed revenue for GMH, new revenue that is..

We have a responsibility to the people of Guam to find the ways and the means to fund the only public, civilian hospital available to our community.

We have a responsibility to the people of Guam to find and implement a viable solution to the grave financial crisis faced by GMH.

The clock is ticking. Time is passing. Financing charges to the tune of half a million dollars has already been accumulated by GMH for just this fiscal year alone and we have four more months to go.

We need to act. And this substitute Bill 20-32 is the only option on the table today to start to bring relief to our hospital.





Amanda Shelton <amanda@toduguam.com>

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## Substitute Bill No. 20-32

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Mike Kutsuren <moceania11@yahoo.com>  
Reply-To: Mike Kutsuren <moceania11@yahoo.com>  
To: Amanda Shelton <amanda@toduguam.com>

Thu, May 23, 2013 at 10:25 AM

Hi Amanda:

On page 5, line 14 this should be amended to read all gaming devices licensed prior to August 2008 which is what the AG's office also acknowledged. Machines covered prior to 2001 are only Quarter Horse Machines which are considered more of a gambling machine than a SWP or Skill With Prizes Machine which are what the Liberty machines are. Also, in addition to Liberty, Match Play and Sybolix, Uncle Sam Machines should also be included. After Liberty Machines, there are more Uncle Sam machines here than any other type, although, they are all basically the same machine. We are preparing testimony for Bill 20, but will not be available until tomorrow which I will send to you.\

Thank You & Regards,  
Mike Katsuren

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**From:** Amanda Shelton <amanda@toduguam.com>  
**To:** moceania11@yahoo.com  
**Sent:** Thursday, May 23, 2013 9:13 AM  
**Subject:** Substitute Bill No. 20-32

[Quoted text hidden]

May 23, 2013

TESTIMONY OF MS. MANA SILVA TAIJERON

ACTING ADMINISTRATOR

GUAM ECONOMIC DEVELOPMENT AUTHORITY

Substitute BILL 20-32 (COR)

Hafa Adai Chairman Rodriguez and members of the Committee on Health & Human Services, Health Insurance Reform, Economic Development and Senior Citizens. It is my honor to appear before you today in SUPPORT of Substitute Bill No. 20-32, **"AN ACT TO ESTABLISH A HEALTHCARE TRUST AND DEVELOPMENT FUND, BY ADDING A NEW CHAPTER 97 TO TITLE 10, GUAM CODE ANNOTATED, AND AUTHORIZING THE EXPENDITURE OF MONIES IN THE FUND BY PUBLIC HEALTH CARE PROVIDERS FOR SPECIFIC PURPOSES PERTAINING TO EXTINGUISHING THE OUTSTANDING DEBT PAYABLES OF THE GUAM MEMORIAL HOSPITAL AUTHORITY, AND PROVIDE EXPANDED HEALTHCARE SERVICES BY ESTABLISHING AND FUNDING A GMHA PRIMARY HEALTHCARE OR URGENT HEALTHCARE CENTER FOR NON-EMERGENT PATIENTS; THIS ACT TO BE CITED AS "THE GMHA HEALTHCARE TRUST AND DEVELOPMENT ACT OF 2013."**

GEDA supports the intent of Bill No. 20-32 as substituted by the Committee which would establish the GMHA Healthcare Trust and Development Fund along with the prioritization of the use of the funds collected to extinguish the existing outstanding debt of GMH and the establishment and operation of a GMH operated outpatient Urgent Healthcare Center.

GEDA applauds the Author, Senator Rodriguez, for his foresight in seeking to fund these long overdue vendor payments via the implementation of new fees on business activities recently re-licensed. This measure will not affect the existing delicate balance of government operations by taking away critical funding, instead it captures new revenue to address GMH's fiscal condition.

Once all the prerequisites of the GMHA Healthcare Trust and Development Fund are in place, GEDA stands ready to lend its full support to arranging a line of credit, a revolving loan fund, and/or a direct loan in accordance with the conditions set forth in §97103.

I wish to thank the Committee for the opportunity to present testimony in SUPPORT of Substitute Bill No. 20-32. *Si Yu'os Ma'ase!*

DATE: May 23, 2013

TO: Sen. Dennis G. Rodriguez, Jr.  
Chairman, Committee on Health & Human Services

FR: Eduardo R. Ilao  
President, JMI-EDISON

**RE: TESTIMONY ON BILL NO. 20-32**

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Hafa Adai Mr. Chairman and members of the Committee on Health and Human Services.

My name is Ed Ilao, president of JMI-EDISON.

My company has been in business since 1978, and has maintained business relationships with many Government of Guam agencies and our hospital for close to 35 years. In the many years of doing business with GMH, we have provided both basic and critically needed supplies and equipment, such as: CT scanners, x-ray machines, ultrasound machines, mammogram systems, IV infusion pumps, medical ventilators, hemodialysis machines, medicines, IV fluids, gloves, and needles to name a few. We also provide maintenance and repair services for all equipment we supply, including, all radiology equipment, all cafeteria equipment for both the main hospital facility and the Skilled Nursing Unit, and we also maintain the morgue.

I am sorry to say that since March of this year, we have withheld delivery of equipment, parts, materials and supplies to GMH; also, we have not provided them quotes for any of their immediate supply requirements. Now, GMH has to go to more expensive and mostly non-local suppliers to get what they need!

We, the GMH vendors, especially local vendors, are extremely frustrated trying to collect from GMH! This is a liability that GMH, the Government of Guam, and this legislature cannot continue to ignore. If this liability continues, it will just make GMH's financial problems worse; and it may force GMH to spend much needed money and resources where it is least needed – with LAWYERS!

Without working medical equipment, patients could die! Without the right medicines, sick people could die! Without the right medical specialist, patients could die! When proper medical care is not provided due to shortages, people could die...and lawsuits happen!

While we have very good people at GMH, many of them cannot provide satisfactory patient care without working medical equipment, without the right medicine, & without the right supplies. With no payments to vendors, GMH has and will continue to experience: shortage of medicines & supplies, non-working equipment, shortage of qualified personnel, morale problems with personnel, very low productivity, etc.

We are not here to solely to support Bill No. 20-32, but also to support Senator Rodriguez in taking an initiative to help our hospital, and especially local vendors who cater to GMH. Thus, I believe that this bill is a step in the right direction.

Over the past years, and especially over the past two months, many suggestions have been provided on how to cure GMH's financial sickness. Each one of the possible solutions involves more money – and nobody wants to pay! The people of Guam including our politicians do not want their taxes & fees raised. But we all know that to have an accredited and sustainable hospital, we need money! So the question is, “do you want GMH to survive or die?!” If we want GMH to survive, and to be able to take care of us when we get sick, then we all need to pay – just like we pay for power, water, cellphones, gasoline, and other expenses.

In closing, I would like to ask this question again: how many lives do we need to lose for us to wake up and realize, that we need Guam Memorial Hospital to be fully staffed, fully stocked, and fully serviced?!! I say again, One life is too many! We need action from you now! Please provide adequate funding to GMH! Thank you!

Mr. Chairman,

Good afternoon. My name is Benita Manglona, the director of Administration. I am here today to present Governor Calvo's testimony in favor of Bill No. 20. The following is his testimony:

One of the most ironic turns in recent Guam political history has to do with insurance companies. For the past three years I've been silent about the health insurance issues that have come up. I figured the public could see through all the politics and the rhetoric. For the past three years I've been accused of protecting my family's business interests; the rhetoric has grown disparaging while actions from certain senators have become a witch hunt. The fear during the 2010 election was that if I got elected I'd increase payments to Calvo's SelectCare in the annual health insurance contract.

Well, it's three years later, and despite all that raucous, the cost of the health insurance contract actually went down by about \$8 million. Not only that, it's my understanding the health insurance negotiating team was about to enter negotiations with three different insurance companies for the FY2013 contract right before all the protests started. I doubt my family ever thought I'd push contracts for them if

I got elected; matter of fact, they're in the untenable (and probably adverse) position of increased scrutiny simply because I'm in office.

No one knows better than my family that I've never been one to dole out special favors or tolerate special interests while I've been in public office. That's why it probably came as no surprise to them when I advocated for insurance companies to pay their fair share of taxes – the same taxes many other businesses pay. I mean, why not? Why should insurance companies – including the one my family owns – have a tax exemption that was meant to attract outside captive insurers? Why shouldn't these companies pay taxes? You pay taxes. I pay taxes. The only companies that should be exempt are those that belong to an industry we're trying to build up and sustain, like renewable energy, tourism and health care.

This was the gist of the argument behind Sen. Dennis Rodriguez's original version of Bill No. 20. It would have essentially forced insurance companies to pay their fair share of taxes, and dedicated those revenues to Guam Memorial Hospital. Makes all the sense in the world to me. GMH – while it still needs to do more to run more efficiently – has the awesome responsibility of providing medical care to more

residents who are getting more and more sick. The hospital needs this money, yet the insurance companies haven't been paying the taxes GMH could use to help the most vulnerable among us.

I thought it was a slam dunk. I mean, all these years I've been accused by powerful members of the Legislature of protecting my family's interests, I thought my support for this measure would clear the way for it to happen. Instead the accusers fell silently into the background. Worse, one of them even came out strongly against this proposal, saying we should not require insurance companies to pay their fair share. Who's the one protecting the insurance companies?

Unfortunately, the bill's author came under heavy criticism and pressure. Special interests came down hard on the legislature to ensure Bill No. 20 no longer would require insurance companies to pay their fair share of taxes. And the legislator who has accused me most profusely of protecting these special interests is the one person who came to their rescue, while I pushed to tax my own family. Alanis Morissette wrote a song about irony over a decade ago that keeps running through my head as I think about this subject.

When I said three years ago that I would be a governor for all people, and not a pass through for special and personal interests, I meant it. I backed up that promise with action.

Now Bill No. 20 derives its funding source from another revenue stream. While I would have preferred for insurance companies to pay their fair share of taxes, I fully support more funding for GMH. Enough of these political shenanigans. Senators should rally behind this bill because it's a good bill, with a real funding source, proffering a viable solution to the hospital's resource needs.

Over the past two years there have been six bills introduced in an effort to vilify me as a politician trying to protect my family's interests. Let's see if this one bill – legislation that actually accomplishes something for our people – makes it through the session hall.



GOVERNMENT OF GUAM

DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES  
DIPATTAMENTON SALUT PUPBLEKO YAN SETBISION SUSIAT



**EDDIE BAZA CALVO**  
GOVERNOR

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DEPUTY DIRECTOR

# FEASIBILITY STUDY

**P.L. 31 – 184: “An Act to require the Department of Public Health and Social Services to conduct a feasibility study on providing after-hour urgent care services at the Public Health Centers.”**

## EXECUTIVE SUMMARY

The Guam Legislature passed Public Law No. 31-184: "An Act to require the Department of Public Health and Social Services to conduct a feasibility study on providing after-hour urgent care services at the Public Health Centers." *This law proposes to assess the feasibility of implementing after hour urgent medical services with three possible options: 1) the urgent care clinic administered by the DPHSS personnel that may include full-time and part-time positions 2) urgent care clinic administered and operated by an independent contractor of DPHSS 3) an urgent care clinic fully privately operated by an organization, rent, utility, and insurance free in exchange for accepting MIP, Medicaid, and Self-paying patients.*

The Feasibility Committee obtained diagnoses and demographic data (i.e., age, ethnicity, insurance, and village) of all patients seen at GMHA Emergency Room over a 7 month period from October 2011 to April 2012. Data reveals the **6:00 p.m. to 12:00 a.m. is the time when patients most frequently go to GMHA ER** (33% of patients are seen). Conversely, the **12:00 a.m. to 6:00 a.m. is the least popular time** patients visit the GMHA ER (18% of patients are seen) (see Table 1: "GMHA ER Age by Timing of ER Service")

Additionally, of the 14,292 unduplicated patients seen at GMHA ER, **most of them (4,863 or 34%) are children 0-18 years old; 4,759 patients (33%) are 19-44 years old; 1,714 individuals (12%) are people 45-54 years old; 1,257 patients (9%) are 55-64 years old; and 1,699 individuals (12%) are 65 years and over.** Guam's indigenous people, the Chamorros are the highest ethnic group seen at GMHA ER (59%) followed by Filipino (13%), and then by the other ethnic groups comprised of: 12% Chuukese; 8% Other FSM; 5% other ethnic groups; and 3% White. Furthermore, insurance data profile of patients seen at GMHA ER reveals: **34% are enrolled in the Medicaid program; 22% are self-pay; 21% have private insurance; 12% are under MIP; and 11% have Medicare insurance.** Moreover, of the 14,292 individuals seen at GMA ER, **the top ten diagnoses from highest to lowest order are as follows: 1) fever 2) pneumonia 3) upper respiratory infection 4) bronchiolitis 5) vomiting 6) non infectious gastroenteritis 7) otitis media 8) asthma 9) croup 10) viral infections** (see Table 2: "GMHA Data")

↳ ear infections / ear pain / children's ear conditions

Similarly, the Feasibility Committee gathered diagnoses and demographic data on the number of patients utilizing both Northern and Southern Region Community Health Centers from October 2011 to April 2012. Data reveals the following **top ten diagnoses of patients seen at the Guam CHCs from highest to lowest order: 1) diabetes mellitus 2) hypertension 3) acute upper respiratory infection 4) asthma 5) impetigo 6) acute bronchiolitis 7) hyperlipidemia 8) congestive heart failure 9) acute bronchitis 10) acute pharyngitis** (see Table 3: "CHC Data")

Other than analyzing diagnoses and demographic data on GMHA ER, **space capacity was also assessed to determine the additional number of personnel that can be "housed" to maximize the community health centers' space during regular work hours as well as after 5:00 p.m. daily**

and on the weekend. Through the assessment, it was determined that **each of the CHC sites has 12 examination rooms, which** can accommodate a total of **8.5 FTE providers during the regular work hours** (see Table 4: NRCHC/SRCHC Provider Capacity”). With 8.5 FTE providers including support staff, it would cost from **\$4,590,485 to \$4,951,792** depending on the way physicians, nurses, and pharmacists are recruited (at Step 1-entry level or above step) (see Appendix A: “Staffing Pattern 8.5 FTE Providers”).

Other than analyzing the CHCs’ space capacity to accommodate more providers during regular work hours, the Feasibility Committee computed the space availability at the CHCs based on the number of examination rooms to accommodate more providers at varying time intervals such as 6 hour interval Monday to Friday (30 hours per week), 6 hour interval Monday to Sunday (42 hours per week), 10 hour interval Monday to Friday (50 hours per week), or a 10 hour interval Monday to Sunday (70 hours per week). Based on 12 examination rooms, there is enough space at each of the CHCs for the following providers: **9 FTE providers/week on a 6 hour interval Monday through Friday (30 hours per week); 12.6 FTE providers per week on a 6 hour interval Monday through Sunday (42 hours per week); 15 FTE providers per week Monday through Friday on a 10 hour interval (50 hours per week); and 21 FTE providers per week on a 10 hour interval from Monday to Sunday (70 hours per week)** (see Table 5: “NRCHC and SRCHC Space Capacity”).

Utilizing GHMA ER’s data on the number of patients seen at specific 6 hour intervals, calculations were made on the number of full-time equivalent provider mix (i.e., pediatricians, internists, and family practitioners) needed at the CHCs at varying 6 hour and 10 hour time intervals such as: 6 hours interval Monday to Friday (30 hours per week); 6 hour interval Monday to Sunday (42 hours per week); 10 hour interval Monday to Friday (50 hours per week), and 10 hour interval Monday to Sunday (70 hours per week) (see Appendix B: “Mixture of Providers”). Based on the calculations, the CHCs can see a maximum of 40 to 50 patients per day in the 6 hours time interval, with a **minimum** of 2 FTE providers ( $40 \text{ patients/day} \times 5 \text{ days/week} \times 52 \text{ week per year} = 10,400 \text{ patients/yr}$ ;  $50 \text{ patients per day} \times 5 \text{ days/week} \times 52 \text{ weeks/year} = 13,000 \text{ patients}$ ). Similarly, the CHCs can see 40 to 50 patients per day in the 6 hours time interval, **42 hours per week** with a minimum of 2 FTE providers ( $40 \text{ patients/day} \times 7 \text{ days/week} \times 52 \text{ week per year} = 14,560 \text{ patients/yr}$ ;  $50 \text{ patients/day} \times 7 \text{ days/week} \times 52 \text{ week per year} = 18,200 \text{ patients/yr}$ ).

Using the same computation, the CHCs can see 80 patients per day in a **10 hour interval Monday to Friday (50 hours per week), resulting in 20,800 patients** ( $80 \text{ patients/day} \times 5 \text{ days/week} \times 52 \text{ weeks/year} = 20,800/\text{yr}$ ). Moreover, **29,120 patients** can be seen per year **Monday through Sunday (70 hours per week)**, ( $80 \text{ patients/day} \times 7 \text{ days/week} \times 52 \text{ weeks/year} = 29,120 \text{ patient/yr}$ ).

Subsequent to the analysis of space capacity of the two CHC sites, **medical capacity** was also assessed to determine the ratio of the number of providers to nursing staff. The Feasibility

Committee also contacted several staff working at GMHA and Family Health Plan (FHP) to identify these entities' staffing ratio specific to an urgent care setting. **GMHA ER's provider to nursing staffing ratio ranges between 1:3.3 and 1:3.6** (3 physicians (MDs) per 6 RNs, 2 LPNs, and 2 nurse aides (10 nursing staff/3 providers=3.3) versus 1:3.6 FTE (3 providers per 6 RNs, 2 LPNs, and 3 Nurse Aides (11 nursing staff/3 providers=3.6 FTE). However, **FHP's Urgent Care provider to nursing staff ratio is lower than GMHA with a ratio of 1:2.6** (1 PA and 1 MD for 4 Nursing Staff (3 RN and 1 LPN or 2 RNs and 2 LPNs) (4 nursing staff/1.5 providers=2.6 FTE) (see Appendix C: "Provider to Support Staffing Ratio"). FHP just recently opened its own urgent care clinic daily from 7:00 a.m. to 11:00 p.m. and advertisements have been targeted primarily to individuals with private health insurance in lieu of those with government health insurance plans (MIP and Medicaid). However, if changes do occur in that FHP and SDA accept MIP and Medicaid insurance plans, there also has to be **acceptability** of such services by MIP and Medicaid patients so that they steer themselves to FHP or SDA to utilize urgent care services, in lieu of going to the hospital, the latter resulting in the unnecessary usage of the GMHA Emergency Room.

The Feasibility Committee selected the ratio of **1 provider to 3.3 nursing staff in lieu of following FHP's urgent care ratio of 1 provider to 2.6 nursing staff** because like GMHA, most patients receiving health care services would be those under Medicaid, self-pay, and MIP given that GMHA and the Guam CHCs are the "safety-net" providers of the medically underserved population. The Feasibility Committee also selected the ratio of 1 provider to 3.3 nursing staff because Medicaid, uninsured, and MIP patients certainly have multiple and complicated health conditions as compared to patients with private health insurance coverage. Additionally, having the ratio of 1 provider to 3.3 nursing staff allows them the necessary time to enter patient health information into the electronic health record system. FHP's provider to nursing staff ratio of 1: 2.6 may be manageable at this time since they have not yet implemented an electronic health record system.

Using the ratio of 1 provider to 3.3 FTE nursing staff (1.7 RN, 0.8 FTE LPN, 0.8 FTE NA); 1 provider to 1.17 FTE medical record staff; 1 provider to 0.59 FTE Cashier; 1 provider to 0.35 FTE laboratory technician; 1 provider to 0.35 FTE pharmacist; 2 pharmacy technicians for 1 pharmacist; and 1 x-ray technician per site, computation was made on the number of provider, nursing, and other support staff needed to operate the CHCs at different time intervals. Through the ratio computation, the CHCs would need **68 FTEs to operate a 6 hour interval from Monday through Friday (30 hrs/wk) versus 96 FTEs to operate this same interval, but from Monday through Sunday (42 hrs/wk)**. On the other hand, to operate on a **ten hour interval from Monday to Friday (50 hrs/wk), 114 FTEs would be needed versus 158 FTE for 70 hours/week from Monday to Sunday** (see Table 6: "CHC Staffing Needs").

With the staffing identified to operate the CHCs 30 hours per week, 42 hours per week, 50 hours per week, and 70 hours per week, the Feasibility Committee prepared a Staffing Pattern budget to compute **the personnel cost** for urgent care services. Other than preparing the staffing pattern

to operate the CHCs 30 hours, 42 hours, 50 hours, and 70 hours per week, the Feasibility Committee also **computed personnel cost projections, both for overtime pay and another without overtime pay.** The latter staffing projection was computed by adding additional nursing and other support staff so that no existing staff would need to work overtime. In doing so, the number of staffing to operate a: 6 hour interval Monday to Sunday (42 hrs/wk) increased from **96 FTE to 100.6 FTE**; 10 hour interval Monday to Friday (50 hrs/wk) increased from **114 FTE to 142.5FTE**; and 10 hour interval Monday to Sunday (70 hrs/wk) increased from **158 FTE to 275.75 FTE** (See Table 7: "Staffing Needs No Overtime vs. Overtime").

Thus, the personnel cost of all staff (including providers under contractual agreement) without overtime pay to operate at **maximum space capacity** an urgent care clinic **30, 42, 50, and 70 hrs/wk respectively** are as follows: **\$3,102,579 to \$3,630,458; \$5,824,696 to \$6,771,926; \$8,289,805 to \$9,718,312; and \$16,212,062 to \$19,013,188 respectively.** The cost varies depending on the way the providers, nurses, and pharmacists are recruited (at step 1-entry level or above step). However, with overtime pay, the personnel cost of all staff (including providers under contractual agreement) to operate at **maximum space capacity** an urgent care clinic **42, 50, and 70 hrs/wk respectively** are as follows: **\$6,144,876 to \$6,812,269; \$8,994,817 to \$10,002,027; \$17,854,902 to \$19,937,297.** (see Appendix D: "Staffing Pattern").

With all this wealth of qualitative and quantitative data, the Feasibility Committee had enough information to *assess the feasibility of implementing after hour urgent medical services with three possible options: 1) the urgent care clinic is administered by the DPHSS personnel that may include full-time and part-time positions 2) urgent care clinic administered and operated by an independent contractor of DPHSS 3) an urgent care clinic fully privately operated by an organization rent, utility, and insurance free in exchange for accepting MIP, Medicaid, and Self-paying patients.*

The first option is implementing after hour urgent care services administered by Department of Public Health & Social Services personnel that may include full-time and part-time positions. In assessing whether or not this option is feasible, the Feasibility Committee examined **standards** set by the **Accreditation Association for Ambulatory Health Care (AAAHC)** (see Table 8: "Accreditation Association for Ambulatory Health Care (AAAHC) Standards").

The criteria requirements for an urgent care clinic include having licensed physicians (category 1) or mid-level providers (category 2) on site during all posted hours of operation. The minimum hours of operation must include 7 days per week, 4 or more hours per day, 3,000 hours per year. However, this requirement can be waived to 2,920 hours (8hrs/day x 365 days=2,920 hours) if GMH is less than 5 miles away from the Guam Community Health Centers. Additionally, an urgent care facility must advertise and accept walk-in patients of all ages for a broad spectrum of illness, injury, and disease during all hours that the facility is open to see patients. Given this criteria, if the Guam CHCs were to operate seven days per week, operating in a **6 hour interval (42hrs/wk), the personnel cost for physicians only** ranges from

**\$1,949,376 to \$2,419,310** and if the CHCs operate seven days per week in a **10 hour interval (70 hrs/wk)**, the **physician cost** varies from **\$5,427,240 to \$6,842,611** (see Appendix E: "CHC Physician Salary Only").

On the other hand, realizing that nursing and other support staff are also needed to operate an urgent care clinic, the personnel cost for *all staff* (including physicians under contractual agreement) who work **42 hrs/wk** ranges from **\$5,824,696 to \$6,771,926 (without overtime)**, or **\$6,812,269 with overtime**. Moreover, if the CHCs operate **7 days per week in a 10 hour interval (70 hrs/wk)**, the personnel cost for *all staff* (including physicians under contractual agreement) ranges from **\$16,212,062 to \$19,013,188 (without overtime)** or **\$19,937,297 with overtime pay** (see Appendix F: "Total Personnel Cost").

Additionally, the Accreditation Association for Ambulatory Health Care (AAAHC) **requires x-rays to be available in an urgent care setting and for a radiologist to be on duty to interpret the films**. Currently, the CHCs do not have any x-ray machine at either of the sites so the CHCs must construct an **x-ray facility with lead walls**, which would cost **\$521,580**. Moreover, the CHCs would need to **procure a digital x-ray machine along with the PACS 5.0 software, 2 capacity image archive, and the LAN Diagnostic Workstation License remote reader for each site**, which cost **\$718,558** as well as pay for **x-ray preventive maintenance and dosimetry badge annual fees (\$50,000 and \$1,278 respectively)**. With the procurement of an x-ray machine, the CHCs also need to recruit an x-ray technician at each site and a radiologist needs to be contracted to interpret the films. If the CHCs recruit an x-ray technician who works a 6 hour interval Monday to Sunday (42 hrs/wk), it would cost **\$78,454** without overtime pay versus **\$80,265** with overtime pay. It is even more expensive to have x-ray technicians working a 10 hour interval Monday to Sunday (70 hrs/wk), which costs **(\$136,940)** without overtime pay versus **\$138,544** with overtime pay. Other than having an x-ray technician, the CHCs must pay a radiologist to interpret the films, which costs from **\$121,474 (42 hrs/wk)** to **\$202,457 (70 hrs/wk)** (see Appendix G: "X-Ray Contractual Services & Equipment").

Other than radiology services, the AAAHC also requires **laboratory services to be available** in an urgent care setting. Although the CHCs have laboratory services, there are only a limited number of procedures that can be performed "in house" (see Appendix H: "Urgent Care Lab Procedures"). Thus, the CHCs must expand its triage, chemistry, hematology, and urinalysis procedures by procuring additional lab equipment as well as reagents and controls, which costs **\$145,274 and \$72,349.38** (\$71,989.38 for laboratory reagents and controls + \$360 Pylori kit=\$72,349.38) respectively (see Appendix I: "Lab Equipment, Lab Reagent, and Lab Control Cost"). Other costs also must be incurred for the following: **\$39,520** for preventive maintenance of the new lab equipments and **CLIA fee** of **\$1,300** to conduct new lab procedures (see Appendix J: "Other Lab Costs").

Furthermore, the AAAHC requires licensed providers on site: credentialed to read EKGs; trained in emergency life support and the usage of an ambu-bag/oral airway equipment for intubation;

and to perform minor procedures. An urgent care clinic also must have oxygen, ambu-bag/oral airway intubation supplies, intramuscular and intravenous medications, an emergency crash cart stocked with medications, and medical supplies to perform minor procedures readily available on site. Thus, to meet all these requirements, the CHCs would have to allocate **\$72,707.95** for medical equipment as follows: \$6,550.25 for oxygen cylinders; \$5,432 for airway management intubation kit with supplies; \$7,465.70 for suction aspirator; \$6,200 for emergency crash cart; \$4,500 for automatic external defibrillators; and \$42,560 for EKG machines (see Appendix K: "Urgent Care Medical Equipment Cost"). Additionally, the CHCs must budget: **\$1,575 to \$2,650** for EKG training; **\$13,775 to \$23,095** for Pediatric Advance Life Support, Advanced Cardiac Life Support, and Basic Life Support courses (see Appendix L: "Medical Training Cost"); and **\$272,142.97** for medical supplies (**\$263,029.86** for intramuscular, intravenous fluids, medications, and medical supplies to perform minor procedures (i.e., splinting and casting, suturing, incision and drainage, wound care, etc.) (see Appendix M: "Other Medical Supplies") and \$9,113.11 for emergency crash cart drugs (see Appendix N: "Emergency Crash Cart Drugs").

The total cost (including personnel, contractual services, supplies, equipment, utilities, and capital outlay) to operate an urgent care clinic at **the CHCs' maximum space capacity on a 6 hour interval Monday to Sunday (42 hrs/wk) ranges from \$8,285,421 to \$9,232,651 (without overtime pay). However, with overtime pay, the cost varies from \$8,601,800 to \$9,269,193. Unfortunately, the 6 hour interval Monday to Sunday (6 hrs/day x 365 days=2,190 hours) is short of the 3,000 hours per year AAAHC standard. On the other hand, the total cost (including personnel, contractual services, supplies, equipment, utilities, and capital outlay) to operate an urgent care clinic at the CHCs' maximum space capacity on a 10 hour interval Monday to Sunday (70 hrs/wk) in accordance with the Accreditation Association for Ambulatory Health Care (AAAHC) standards ranges between \$18,850,548 to \$21,651,674 (without overtime pay). However, with overtime pay, it costs from \$20,493,388 to \$22,575,783 (see Appendix O: "Summary of Urgent Care Cost Contractual Services, Supplies, Equipment, Utilities, and Capital Outlay" and Appendix P: "Total Urgent Care Cost-Personnel, Contractual Services, Supplies, Equipment, Utilities, and Capital Outlay").**

If the Government of Guam does have sufficient funding to support an urgent care clinic **administered by DPHSS personnel that may include full-time and part-time positions**, recruiting physicians would be difficult given the shortage of providers, which is attributed to Guam's remote geographic location, the high cost of malpractice insurance, and the physician salary not comparable to the U.S. rate. The difficulty in recruiting providers is further hindered by the low salaries offered by the Guam DPHSS, which is lower compared to the local private sectors and GMHA.

After viewing the personnel resources, space capacity, and the financial cost, the Feasibility committee has determined that it is not feasible for the DPHSS personnel to **implement after hour urgent care services**. The U.S. Bureau of Primary Health Care program expectations

require all Federally Qualified Health Centers including the Northern and Southern Region Community Health Centers to focus on **primary** health care, acute outpatient care, and preventive services for the medically underserved population. Because the Guam CHCs receive federal funding from HRSA specifically for **primary health care services and HRSA has made its stance clear that no federal funding is available for urgent care services** even though such services are conducted at the CHCs after regular work hours.

*The second option of urgent care clinic administered and operated by an independent contractor of DPHSS also is not a viable option.* Historically, numerous attempts have been made to privatize MIP over the past years, but no private HMO, or multi-specialty group practices have been interested in taking such a financial risk. Additionally, historically, a few private multi-specialty groups that operated urgent care clinics ended up closing their doors due to extremely high costs. Similarly, some private providers have contemplated implementing an urgent care clinic, but after figuring out that the cost to do so is quite expensive, they forego pursuing the idea any further given the estimate of minuscule to no profit margin generated from such an operation.

Should the three public health facilities be the selected venue of urgent care operation, there are numerous issues that warrant immediate attention, clarification, and action especially when federal laws and program guidelines must be adhered to particularly since these clinics are recipients of federal grants. For instance, the CHCs must adhere to 340 B Drug Discount Pricing Program (program administered by HRSA's Office of Pharmacy Affairs). With the 340 B Drug program, the CHC pharmacies have two separate resource inventory systems-one for retail drugs and the other for 340B medications and the program mandates the reporting of all 340B drugs dispensed and the physicians prescribing all of the medications. Additionally, the CHCs have to perform perpetual, physical, and virtual inventories of these two separate systems. However, if an urgent care clinic is administered by an independent contractor and implemented at the CHCs after normal working hours (after 6:00 p.m.), the independent contractor must not access or mix any drugs from the primary care services inventory system. This means that the independent contractor needs to procure their own stock of retail medications (maintaining that inventory). Moreover, HRSA would need to review the 340 B eligibility of patients seen in the urgent care clinic under the operations of an independent contractor. Otherwise, if the independent contractor accesses 340B drugs and diverts these drugs to non 340B patients (diverting 340 B drugs means the reselling or transferring of drugs purchased at 340B discounted prices to anyone who is not a patient of the covered entity), one would be violating the federal law.

Additionally, should an independent contractor utilize the facilities including the resources of Central Public Health and the two Federally Qualified Health Centers, new user names and passwords must be configured on each computer workstations to ensure that the security and confidentiality of health information is not breached. There also must be accountability of the usage of: computers, hardware, and software systems; laboratory and medical equipment; and medical, laboratory, and pharmacy supplies. There must also be financial management and



accountability of: revenues generated from third party payers (i.e., Medicare, Medicaid, MIP, private insurance indemnities, and self-pay patients), account receivables; and expenditures. Cost allocation would have to be done to determine the power and water consumption during urgent care clinic operation.

Other questions need to be answered such as: "would the independent entity utilize the financial module (i.e., electronic billing, charge entry, payment posting, financial reporting, etc.) of the CHCs' Resource Patient Management System Electronic Health Record System, or would the independent contractor utilize its own clinical and financial management system?" Additionally, federal reports and audits need to be prepared annually so the independent contractor must also be responsible for providing such information to the DPHSS, Department of Administration, and the Guam Office of Public Accountability. Furthermore, should a private HMO or multi-specialty group be contracted to administer an urgent care clinic, other issues such as affiliation arrangements, contractual agreements, and malpractice liability, would have to be considered.

**The final option of an urgent care clinic fully privately operated by an organization, rent, utility, and insurance free in exchange for accepting MIP, Medicaid, and Self-paying patients is an expensive option.** Currently, private providers accepting MIP and Medicaid patients are reimbursed only 50-60% of the charges that they bill. This option only gives them the incentive of paying overhead cost for them. Although this option may work for some providers, this is an expensive option and the local government must be prepared to identify funding to pay for overhead cost and the possibility of malpractice insurance, which is quite astronomical on Guam.

Realizing that SDA, FHP, and American Medical Clinic would be possible venues for an urgent care clinic since they already have "built-in" infrastructure for radiological, laboratory, and pharmacy services, it would not be within the realm of the Feasibility Committee's domain to visit SDA, FHP, and American Medical Clinic and demand detailed breakdown of personnel, contractual services, equipment, supplies, and utilities costs involved in operating each of these urgent care clinics. Moreover, to obtain any financial information may not be practical since it may violate local procurement practices since an official "Request for Proposal" has not been publicly advertised in the local newspapers as required by local procurement laws.

**Realizing that the three options are not feasible, the Feasibility Committee has developed the following recommendations as viable options:** 1) having an urgent care clinic at GMHA (urgent care clinic belongs to GMHA not DPHSS as strongly stated by four DPHSS physicians with extensive experience working in an urgent care setting ) (see Appendix Q: "Views of Urgent Care from DPHSS physicians") 2) building an urgent care facility close to GMHA 3) advertising a "Request for proposal" to determine whether or not SDA, FHP, or private multi-specialty clinics would be willing to provide urgent care services to the indigent population (MIP and Medicaid) 4) diverting patients from unnecessarily utilizing GMHA Emergency Room by: implementing phone triaging; increasing the CHCs' medical capacity; and/or entering into

memoranda of understanding with private clinics to provide supplementary assistance to the Guam CHCs by affording Medicaid clients with access to medical services especially with the “Patient Affordable Care Act” (ACA) or “Obama Care” .

According to an article entitled: “Report Dispels Common Belief on What Drives Medicaid ED Use” written in the “American Medical Association News” (Source: “Centers for Studying Health System Change, Research Brief Number 23, July 2012)), Medicaid patients are more than three times likely to visit hospital emergency rooms as privately insured patients, but visits are generally not for routine care. Urgent or more serious medical problems are what prompt most non-elderly Medicaid patients visiting the hospital emergency room to go there, underscoring the need for better access for those patients to primary and specialty care. Barriers in accessing primary and specialty care at the front end probably are contributing to the high use of hospital emergency room among Medicaid/MIP patients. Thus, improving access to primary/preventive care as well as specialty care is the key in preventing more serious or urgent medical conditions that prompt patients to visit the hospital emergency room (see Appendix R: “American Medical Association News”).

Phone triaging is one way to deflect patients in lieu of going to the hospital ER, they are directed to private primary health care clinics or urgent care clinics. Other than phone triaging, the CHCs also can increase medical capacity to deflect individuals from unnecessarily utilizing GMHA ER. The two CHC sites can “house” a total of **8.5 FTE providers** during the regular work hours of 12:00 p.m. to 6:00 p.m. (the 12:00 p.m. to 6:00 p.m. is the second most popular time when people visit GMHA ER). With more providers being available, this may positively lessen the number of people visiting GMHA ER. Additionally, a memorandum of understanding can be entered between the private clinics and the CHCs to provide supplementary assistance to the Guam CHCs, which aids in mitigating the patient overload at the Guam CHCs as well as GMHA ER. Additionally, with the “Patient Affordable Care Act”, it is important to establish partnerships with private clinics so that barriers to health care can be minimized and patients would have increased access to health care services, which is truly the mission of the Guam CHCs!

As a result of this Feasibility study, the Committee has determined that *the proposed three options: 1) the urgent care clinic administered by the DPHSS personnel that may include full-time and part-time positions 2) urgent care clinic administered and operated by an independent contractor of DPHSS 3) an urgent care clinic fully privately operated by an organization rent, utility, and insurance free in exchange for accepting MIP, Medicaid, and Self-paying patients* are all difficult, if not impossible. Although the “Patient Affordable Care Act” addresses the financial component of the “lack of access to health services” problem through federal funds made available, the solution to this problem is having **all community providers accept Medicaid, MIP, and Self-pay patients** (50,000 anticipated Medicaid patients and 10,870 MIP patients) **as well as having the local funding to match the federal funds**

**available.** In doing so, the community physicians can be reimbursed promptly and adequately and access to primary/preventive health care services can be improved and made easily available.



## COMMITTEE ON RULES

*I Mina'trentai Dos na Liheslaturan Guåhan* • The 32nd Guam Legislature  
155 Hesler Place, Hagåtña, Guam 96910 • [www.guamlegislature.com](http://www.guamlegislature.com)  
E-mail: [roryforguam@gmail.com](mailto:roryforguam@gmail.com) • Tel: (671)472-7679 • Fax: (671)472-3547

Senator  
Rory J. Respicio  
CHAIRPERSON  
MAJORITY LEADER

Senator  
Thomas C. Ada  
VICE CHAIRPERSON  
ASSISTANT MAJORITY LEADER

Senator  
Vicente (Ben) C. Pangelinan  
Member

Speaker  
Judith T.P. Won Pat, Ed.D.  
Member

Senator  
Dennis G. Rodriguez, Jr.  
Member

Vice-Speaker  
Benjamin J.F. Cruz  
Member

Legislative Secretary  
Tina Rose Muña Barnes  
Member

Senator  
Frank Blas Aguon, Jr.  
Member

Senator  
Michael F.Q. San Nicolas  
Member

Senator  
V. Anthony Ada  
Member  
MINORITY LEADER

Senator  
Aline Yamashita  
Member

## Certification of


## Waiver of

## Fiscal Note Requirement

This is to certify that the Committee on Rules submitted to the Bureau of Budget and Management Research (BBMR) a request for a fiscal note, or applicable waiver, on **SUBSTITUTE BILL NO. 20-32(COR) - "AN ACT TO ESTABLISH A HEALTHCARE TRUST AND DEVELOPMENT FUND, BY ADDING A NEW CHAPTER 97 TO TITLE 10, GUAM CODE ANNOTATED, AND AUTHORIZING THE EXPENDITURE OF MONIES IN THE FUND BY PUBLIC HEALTH CARE PROVIDERS FOR SPECIFIC PURPOSES PERTAINING TO EXTINGUISHING THE OUTSTANDING DEBT PAYABLES OF THE GUAM MEMORIAL HOSPITAL AUTHORITY, AND PROVIDE EXPANDED HEALTHCARE SERVICES BY ESTABLISHING AND FUNDING A GMHA URGENT HEALTHCARE CENTER FOR NON-EMERGENT PATIENTS; THIS ACT TO BE CITED AS "THE GMHA HEALTHCARE TRUST AND DEVELOPMENT ACT OF 2013."** – on May 24, 2013. COR hereby certifies that BBMR confirmed receipt of this request on May 23, 2013 at 2:10 P.M.

COR further certifies that a response to this request was not received. **Therefore, pursuant to 2 GCA §9105, the requirement for a fiscal note, or waiver thereof, on Bill 69-32 (COR) to be included in the committee report on said bill, is hereby waived.**

Certified by:



Senator Rory J. Respicio  
Chairperson, Committee on Rules

May 24, 2013

Date



## COMMITTEE ON RULES

*I Mina'trentai Dos na Liheslaturan Guåhan* • The 32nd Guam Legislature

155 Hesler Place, Hagåtña, Guam 96910 • [www.guamlegislature.com](http://www.guamlegislature.com)

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Member

Senator  
V. Anthony Ada  
Member  
MINORITY LEADER

Senator  
Aline Yamashita  
Member

January 18, 2013

### MEMORANDUM

**To:** **Rennae Meno**  
*Clerk of the Legislature*

**Attorney Therese M. Terlaje**  
*Legislative Legal Counsel*

**From:** **Senator Rory J. Respicio**  
*Majority Leader & Rules Chair*

**Subject:** **Referral of Bill Nos. 20 & 21-32(COR)**

As the Chairperson of the Committee on Rules, I am forwarding my referral of Bill Nos. 20 & 21-32(COR).

Please ensure that the subject bill is referred, in my name, to the respective committee, as shown on the attachment. I also request that the same be forwarded to all members of *I Mina'trentai Dos na Liheslaturan Guåhan*.

Should you have any questions, please feel free to contact our office at 472-7679.

*Si Yu'os Ma'åse!*

Attachment



Joseph Anthony Mesngon <jmesngon.sensordrodriguez@gmail.com>

---

## 1st Notice of Public Hearing

2 messages

---

Clifton Herbert <cherbert.sensordrodriguez@gmail.com>

Mon, Mar 4, 2013 at 1:41 PM

To: "phnotice@guamlegislature.org" <phnotice@guamlegislature.org>

Ufisinan Todu Guam

### SENATOR DENNIS G. RODRIGUEZ, Jr.

I Mina'trentai Dos Na Liheslaturan Guáhan

CHAIRMAN, COMMITTEE ON HEALTH & HUMAN SERVICES, HEALTH INSURANCE REFORM, ECONOMIC DEVELOPMENT,  
AND SENIOR CITIZENS

Dear Senators,

Buenas yan Hafa Adai!

Please see attached notice. Should you have any questions or concerns please contact this office at anytime.

Best Regards,  
Clifton Herbert

176 Serenu Avenue Suite 107 Tamuning, Guam 96931

Telephone: 671.649.8638

Email: [cherbert.sensordrodriguez@gmail.com](mailto:cherbert.sensordrodriguez@gmail.com)

Website: [www.toduguam.com](http://www.toduguam.com)

**"So Christ was sacrificed once to take away the sins of many; and he will appear a second time, not to bear sin, but to bring salvation to those who are waiting for him."**

**Hebrews 9:28 (NIV)**

This e-mail may contain data that is confidential, proprietary or non-public personal information, as that term is defined in the Gramm-Leach-Bliley Act (collectively, Confidential Information).

The Confidential Information is disclosed conditioned upon your agreement that you will treat it confidentially and in accordance with applicable law, ensure that such data isn't used or disclosed except for the limited purpose for which it's being provided and will notify and cooperate with us regarding any requested or unauthorized disclosure or use of any Confidential Information.

By accepting and reviewing the Confidential information, you agree to indemnify us against any losses or expenses, including attorney's fees that we may incur as a result of any unauthorized use or disclosure of this data due to your acts or omissions. If a party other than the intended recipient receives this e-mail, he or she is requested to instantly notify us of the erroneous delivery and return to us all data so delivered.

Clifton Herbert <cherbert.senatorrodriguez@gmail.com>

Mon, Mar 4, 2013 at 1:45 PM

To: clynt@spbgum.com, dcrisostomo@guampdn.com, dmgeorge@guampdn.com, dtamondong@guampdn.com, editor@mvariety.com, gdumat-ol@guampdn.com, gerry@mvguam.com, hottips@kuam.com, john@kuam.com, jtyquiengco@spbgum.com, mpieper@guampdn.com, mvariety@pticom.com, news@spbgum.com, nick.delgado@kuam.com, parroyo@k57.com, ricknauta@hitradio100.com, sabrina@kuam.com, slimtiaco@guampdn.com, zita@mvguam.com, Amritha Alladi <aalladi@guampdn.com>, Arvin Temkar <aktemkar@guampdn.com>, Cameron Miculka <cimiculka@guampdn.com>, "George, Duane M" <dmgeorge@guam.gannett.com>, gerry partido <gerrypartido.mvguam3@gmail.com>, James <officemanager@hitradio100.com>, Jason Salas <jason@kuam.com>, Jerick Sablan <jpsablan@guampdn.com>, Jesse Lujan <jesselujan27@yahoo.com>, "Jon A. Anderson" <editor@mvguam.com>, Joy <joy@mvguam.com>, Jr <news@lifeneews.com>, Katrina <life@guampdn.com>, Ken Quintanilla <kenq@kuam.com>, Kevin Kerrigan <kevin@spbgum.com>, Kevin Kerrigan <news@k57.com>, Marvic Cagurangan <marvic@mvguam.com>, Mindy Aguon <mindy@kuam.com>, Oyaol Ngirairikl <odngirairikl@guampdn.com>, Pacific Daily News <news@guampdn.com>, "rgibson@k57.com" <rgibson@k57.com>, Travis Coffman <thebigshow@k57.com>, William Gibson <breakfastshowk57@gmail.com>  
Bcc: jmesngon.senatorrodriguez@gmail.com

## PRESS RELEASE

### FIRST NOTICE OF PUBLIC HEARING

Monday, March 11, 2013 9:00AM

In accordance with the Open Government Law, Public Law 24-109, relative to notice for Public Meetings. Please be advised that the Committee on Health & Human Services, Health Insurance Reform, Economic Development, & Senior Citizens will be conducting a Public Hearing on **Monday, March 11, 2013 at 9:00AM**, at *Liheslaturan Guåhan's* Public Hearing Room in Hagåtña, on the following:

9:00AM

- The Executive Appointment of Mr. William E. Stanley, II Member, Guam Board of Allied Health Examiners.
- The Executive Appointment of Ms. Marcelene Cruz Santos, Member, Council on Mental Health and Substance Abuse (AKA 'The Advisory Council').

10:00AM

- **Bill 20-32(COR)**- An act to establish a Healthcare Trust and Development Fund, by adding a new Chapter 97 to Title 10, Guam Code Annotated, and authorizing the expenditure of monies in the fund by public health care providers for specific purposes pertaining to extinguishing the outstanding debt payables of the Guam Memorial Hospital Authority, and provide expanded healthcare services by establishing and funding a GMHA

Primary Healthcare or Urgent Healthcare Center for non-emergent patients; this act to be cited as "*The GMHA Healthcare Trust and Development Act of 2013*". (**Introduced by Senator D.G. Rodriguez, Jr.**)

- **Bill 12-32(COR)** - An act to amend §90A101 and §90A102 of Chapter 90A of Title 10 of the Guam Code Annotated relative to the prohibition and sale of candy cigarettes. (**Introduced by Senator B.J.F. Cruz**)

Testimony should be addressed to Senator Dennis Rodriguez, Jr., Chairman, and may be submitted via- hand delivery to our office at 176 Serenu Avenue Suite 107 Tamuning, Guam 96931 or our mailbox at the Main Legislature Building at 155 Hesler Place, Hagåtña, Guam 96910, or via email to [senatordrodriguez@gmail.com](mailto:senatordrodriguez@gmail.com).

We comply with Title II of the Americans with Disabilities Act (ADA). Individuals who require an auxiliary aid or service (i.e. qualified sign language interpreters, documents in Braille, large print, etc.) for effective communication, or a modification of policies or procedures to participate in a program service, or activity of Senator Dennis Rodriguez, Jr. should contact our office at 649-8638 (TODU) as soon as possible but no later than 48 hours before this scheduled event. We look forward to your attendance and participation.

For further information, please contact the Office of Senator Dennis Rodriguez, Jr. at 649-8638 (TODU)

Clifton Herbert

*176 Serenu Avenue Suite 107 Tamuning, Guam 96931*

*Telephone: 671.649.8638*

*Email: [Cherbertsenatordrodriguez@gmail.com](mailto:Cherbertsenatordrodriguez@gmail.com)*

*Website: [www.toduguan.com](http://www.toduguan.com)*

**"So Christ was sacrificed once to take away the sins of many; and he will appear a second time, not to bear sin, but to bring salvation to those who are waiting for him."  
Hebrews 9:28 (NIV)**

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By accepting and reviewing the Confidential information, you agree to indemnify us against any losses or expenses, including attorney's fees that we may incur as a result of any unauthorized use or disclosure of this data due to your acts or omissions. If a party other than the intended recipient receives this e-mail, he or she is requested to instantly notify us of the erroneous delivery and return to us all data so delivered.



**Public Hearing 1st Notice March 11, 2013.pdf**


311K



SENATOR DENNIS G. RODRIGUEZ, JR.

March 4, 2013

TO: ALL SENATORS

FROM: SENATOR DENNIS G. RODRIGUEZ, JR.   
CHAIRPERSON

SUBJECT: NOTICE OF PUBLIC HEARING

**PUBLIC HEARING**

Monday, March 11, 2013 9:00AM

9:00AM

- The Executive Appointment of Mr. William E. Stanley, II Member, Guam Board of Allied Health Examiners.
- The Executive Appointment of Ms. Marcelene Cruz Santos, Member, Council on Mental Health and Substance Abuse (AKA 'The Advisory Council').

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For further information, please contact the Office of Senator Dennis Rodriguez, Jr. at 649-8638 (TODU)



## SENATOR DENNIS G. RODRIGUEZ, JR.

### **PRESS RELEASE**

#### FIRST NOTICE OF PUBLIC HEARING

Monday, March 11, 2013 9:00AM

In accordance with the Open Government Law, Public Law 24-109, relative to notice for Public Meetings. Please be advised that the Committee on Health & Human Services, Health Insurance Reform, Economic Development, & Senior Citizens will be conducting a Public Hearing on **Monday, March 11, 2013 at 9:00AM**, at *I Liheslaturan Guåhan's* Public Hearing Room in Hagåtña, on the following:

9:00AM

- **The Executive Appointment of Mr. William E. Stanley, II Member, Guam Board of Allied Health Examiners.**
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For further information, please contact the Office of Senator Dennis Rodriguez, Jr. at 649-8638 (TODU)



Joseph Anthony Meargon <jmeargon\_senator@rodriguez@gmail.com>

---

## 2nd Notice of Public Hearing

2 messages

---

Clifton Herbert <cherbert.senator@rodriguez@gmail.com>

Wed, Mar 6, 2013 at 10:05 AM

To: "phnotice@guamlegislature.org" <phnotice@guamlegislature.org>

Ufisinan Todu Guam

### SENATOR DENNIS G. RODRIGUEZ, Jr.

I Mina'trentai Dos Na Liheslaturan Guåhan

CHAIRMAN, COMMITTEE ON HEALTH & HUMAN SERVICES, HEALTH INSURANCE REFORM, ECONOMIC DEVELOPMENT,  
AND SENIOR CITIZENS

Dear Senators,

Buenas yan Hafa Adai!

Please see attached notice of public hearing. Should you have any questions or concerns please contact this office at anytime.

Best Regards,  
Clifton Herbert

*176 Serenu Avenue Suite 107 Tamuning, Guam 96931*

*Telephone: 671.649.8638*

*Email: [Cherbert.senator@rodriguez@gmail.com](mailto:Cherbert.senator@rodriguez@gmail.com)*

*Website: [www.toduguam.com](http://www.toduguam.com)*

**"So Christ was sacrificed once to take away the sins of many; and he will appear a second time, not to bear sin, but to bring salvation to those who are waiting for him."**

**Hebrews 9:28 (NIV)**

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By accepting and reviewing the Confidential information, you agree to indemnify us against any losses or expenses, including attorney's fees that we may incur as a result of any unauthorized use or disclosure of this data due to your acts or omissions. If a party other than the intended recipient receives this e-mail, he or she is requested to instantly notify us of the erroneous delivery and return to us all data so delivered.

 **Senator's 2nd Notice Public Hearing March 11, 2013.pdf**  
67K

**Clifton Herbert** <cherbert.senatorrodriguez@gmail.com>

Wed, Mar 6, 2013 at 10:17 AM

To: clynt@spbgum.com, dcrisostomo@guampdn.com, dmgeorge@guampdn.com, dtamondong@guampdn.com, editor@mvariety.com, gdumat-ol@guampdn.com, gerry@mvguam.com, hottips@kuam.com, john@kuam.com, jtyquiengco@spbgum.com, mpieper@guampdn.com, mvariety@pticom.com, news@spbgum.com, nick.delgado@kuam.com, parroyo@k57.com, ricknauta@hitradio100.com, sabrina@kuam.com, slimtiaco@guampdn.com, zita@mvguam.com, Amritha Alladi <aalladi@guampdn.com>, Arin Temkar <aktemkar@guampdn.com>, Cameron Miculka <cimiculka@guampdn.com>, "George, Duane M" <dmgeorge@guam.gannett.com>, gerry partido <gerrypartido.mvguam3@gmail.com>, James <officemanager@hitradio100.com>, Jason Salas <jason@kuam.com>, Jerick Sablan <jpsablan@guampdn.com>, Jesse Lujan <jesselujan27@yahoo.com>, "Jon A. Anderson" <editor@mvguam.com>, Joy <joy@mvguam.com>, Jr <news@lifeneews.com>, Katrina <life@guampdn.com>, Ken Quintanilla <kenq@kuam.com>, Kevin Kerrigan <kevin@spbgum.com>, Kevin Kerrigan <news@k57.com>, Marvic Cagurangan <marvic@mvguam.com>, Mindy Aguon <mindy@kuam.com>, Oyaol Ngirairikl <odngirairikl@guampdn.com>, Pacific Daily News <news@guampdn.com>, "rgibson@k57.com" <rgibson@k57.com>, Travis Coffman <thebigshow@k57.com>, William Gibson <breakfastshowk57@gmail.com>  
Bcc: jmesngon.senatorrodriguez@gmail.com

Ufisinan Todu Guam

## **SENATOR DENNIS G. RODRIGUEZ, Jr.**

I Mina'trentai Dos Na Liheslaturan Guahan

CHAIRMAN, COMMITTEE ON HEALTH & HUMAN SERVICES, HEALTH INSURANCE REFORM, ECONOMIC DEVELOPMENT,  
AND SENIOR CITIZENS

Hafa Adai All Media,

Buenas yan Hafa Adai!

Please see attached notice of public hearing. Should you have any questions or concerns please contact this office at anytime.

Best Regards,  
Clifton Herbert

*176 Serenu Avenue Suite 107 Tamuning, Guam 96931*

*Telephone: 671.649.8638*

*Email: [Cherbert.senatorrodriguez@gmail.com](mailto:Cherbert.senatorrodriguez@gmail.com)*

*Website: [www.todugum.com](http://www.todugum.com)*

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# Hebrews 9:28 (NIV)

## PRESS RELEASE

### SECOND NOTICE OF PUBLIC HEARING

Monday, March 11, 2013 9:00AM

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9:00AM

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For further information, please contact the Office of Senator Dennis Rodriguez, Jr. at 649-8638 (TODU)



**Public Hearing 2nd Notice March 11, 2013.pdf**


311K



SENATOR DENNIS G. RODRIGUEZ, JR.

March 6, 2013

TO: ALL SENATORS

FROM: SENATOR DENNIS G. RODRIGUEZ, JR.   
CHAIRPERSON

SUBJECT: NOTICE OF PUBLIC HEARING

**PUBLIC HEARING**

Monday, March 11, 2013 9:00AM

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- **Bill 20-32(COR)**- An act to establish a Healthcare Trust and Development Fund, by adding a new Chapter 97 to Title 10, Guam Code Annotated, and authorizing the expenditure of monies in the fund by public health care providers for specific purposes pertaining to extinguishing the outstanding debt payables of the Guam Memorial Hospital Authority, and provide expanded healthcare services by establishing and funding a GMHA Primary Healthcare or Urgent Healthcare Center for non-emergent patients; this act to be cited as "*The GMHA Healthcare Trust and Development Act of 2013*". (*Introduced by Senator D.G. Rodriguez, Jr.*)
- **Bill 12-32(COR)** - An act to amend §90A101 and §90A102 of Chapter 90A of Title 10 of the Guam Code Annotated relative to the prohibition and sale of candy cigarettes. (*Introduced by Senator B.J.F. Cruz*)

Testimony should be addressed to Senator Dennis Rodriguez, Jr., Chairman, and may be submitted via-hand delivery to our office at 176 Serenu Avenue Suite 107 Tamuning, Guam 96931 or our mailbox at the Main Legislature Building at 155 Hesler Place, Hagåtña, Guam 96910, or via email to [senatordrodriguez@gmail.com](mailto:senatordrodriguez@gmail.com).

We comply with Title II of the Americans with Disabilities Act (ADA). Individuals who require an auxiliary aid or service (i.e. qualified sign language interpreters, documents in Braille, large print, etc.) for effective communication, or a modification of policies or procedures to participate in a program service, or activity of Senator Dennis Rodriguez, Jr. should contact Clifton Herbert at 649-8638 (TODU) as soon as possible but no later than 48 hours before this scheduled event. We look forward to your attendance and participation.

For further information, please contact the Office of Senator Dennis Rodriguez, Jr. at 649-8638 (TODU)





SENATOR DENNIS G. RODRIGUEZ, JR.

**PRESS RELEASE**

**SECOND NOTICE OF PUBLIC HEARING**

Monday, March 11, 2013 9:00AM

In accordance with the Open Government Law, Public Law 24-109, relative to notice for Public Meetings. Please be advised that the Committee on Health & Human Services, Health Insurance Reform, Economic Development, & Senior Citizens will be conducting a Public Hearing on **Monday, March 11, 2013 at 9:00AM.** at *I Liheslaturan Guåhan's* Public Hearing Room in Hagåtña, on the following:

9:00AM

- **The Executive Appointment of Mr. William E. Stanley, II Member, Guam Board of Allied Health Examiners.**
- **The Executive Appointment of Ms. Marcelene Cruz Santos, Member, Council on Mental Health and Substance Abuse (AKA 'The Advisory Council').**

10:00AM

- **Bill 20-32(COR)**- An act to establish a Healthcare Trust and Development Fund, by adding a new Chapter 97 to Title 10, Guam Code Annotated, and authorizing the expenditure of monies in the fund by public health care providers for specific purposes pertaining to extinguishing the outstanding debt payables of the Guam Memorial Hospital Authority, and provide expanded healthcare services by establishing and funding a GMHA Primary Healthcare or Urgent Healthcare Center for non-emergent patients; this act to be cited as "*The GMHA Healthcare Trust and Development Act of 2013*". **(Introduced by Senator D.G. Rodriguez, Jr.)**
- **Bill 12-32(COR)** - An act to amend §90A101 and §90A102 of Chapter 90A of Title 10 of the Guam Code Annotated relative to the prohibition and sale of candy cigarettes. **(Introduced by Senator B.J.F. Cruz)**

Testimony should be addressed to Senator Dennis Rodriguez, Jr., Chairman, and may be submitted via- hand delivery to our office at 176 Serenu Avenue Suite 107 Tamuning, Guam 96931 or our mailbox at the Main Legislature Building at 155 Hesler Place, Hagåtña, Guam 96910, or via email to [senatordrodriguez@gmail.com](mailto:senatordrodriguez@gmail.com).

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For further information, please contact the Office of Senator Dennis Rodriguez, Jr. at 649-8638 (TODU)



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## FIRST NOTICE OF PUBLIC HEARING-MAY 23, 2013

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Amanda Shelton <amanda@toduguan.com>  
To: phnotice@guamlegislature.org

Thu, May 16, 2013 at 5:15 PM

MEMORANDUM

TO: ALL SENATORS  
FROM: Senator Dennis G. Rodriguez, Jr.  
SUBJECT: **FIRST NOTICE OF PUBLIC HEARING-MAY 23, 2013**

Buenas yan Hafa Adai!

The Committee on Health and Human Services, Health Insurance Reform, Economic Development and Senior Citizens has scheduled a Public Hearing for Thursday, May 23, 2013 at 12:30 p.m. The items on the agenda are as follows:

12:30 P.M.

- **Bill No. 20-32 (COR), as Substituted by the Committee on Health & Human Services, Health Insurance Reform, Economic Development, and Senior Citizens**, An act to establish a Healthcare Trust and Development Fund, by adding a new Chapter 97 to Title 10, Guam Code Annotated, and authorizing the expenditure of monies in the fund for the specific purpose of paying the outstanding debt payables of the Guam Memorial Hospital Authority, and establishing and funding a GMHA Urgent Healthcare Center on the hospital premises for non-emergency patients; this act to be cited as "*The GMHA Healthcare Trust and Development Act of 2013.*"

**Attached to this is notice is a copy of the bill.**


Thank you and I look forward to your presence and participation.

—  
*Si Yu'os Ma'ase'*  
Amanda L. Shelton  
Chief Policy Analyst  
Office of Senator Rodriguez

649-8638  
www.toduguan.com

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### 2 attachments

 **Substitute Bill No. 20-32.pdf**  
647K

 **May 23, 2013-First Notice of Public Hearing.pdf**  
224K

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**FIRST NOTICE OF PUBLIC HEARING-MAY 23, 2013**

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Amanda Shelton &lt;amanda@toduguan.com&gt;

Thu, May 16, 2013 at 5:11 PM

Bcc: Clynt Ridgell <clynt@spbguam.com>, Duane George <dmgeorge@guampdn.com>, dtamondong@guampdn.com, editor@mvariety.com, gdumat-ol@guampdn.com, gerry@mvguam.com, Sabrina Salas Matanane <hottips@kuam.com>, john@kuam.com, Josh Tyquiengco <jtyquiengco@spbguam.com>, mpieper@guampdn.com, mvariety@pticom.com, news@spbguam.com, nick.delgado@kuam.com, parroyo@k57.com, Sabrina Salas Matanane <sabrina@kuam.com>, slimtiaco@guampdn.com, zita@mvguam.com, Amritha Alladi <aalladi@guampdn.com>, Arvin Temkar <aktemkar@guampdn.com>, Cameron Miculka <cimiculka@guampdn.com>, "David V. Crisostomo" <dcrisostomo@guampdn.com>, "George, Duane M" <dmgeorge@guam.gannett.com>, gerry partido <gerrypartido.mvguam3@gmail.com>, James <officemanager@hitradio100.com>, Jason Salas <jason@kuam.com>, Jerick Sablan <jpsablan@guampdn.com>, Jesse Lujan <jesselujan27@yahoo.com>, "Jon A. Anderson" <editor@mvguam.com>, Joy <joy@mvguam.com>, Jr <news@lifeneews.com>, Katrina <life@guampdn.com>, Ken Quintanilla <kenq@kuam.com>, Kevin Kerrigan <kevin@spbguam.com>, Kevin Kerrigan <news@k57.com>, Marvic Cagurangan <marvic@mvguam.com>, Mindy Aguon <mindy@kuam.com>, Oyaol Ngirairikl <odngirairikl@guampdn.com>, Pacific Daily News <news@guampdn.com>, "rgibson@k57.com" <rgibson@k57.com>, Travis Coffman <thebigshow@k57.com>, William Gibson <breakfastshowk57@gmail.com>

Hafa Adai,

Please see attached notice of Public Hearing for Bill No. 20-32, as Substituted by the Committee on Health and Human Services, Insurance Reform, Economic Development and Senior Citizens, along with a copy of the bill. Please contact our office should you have any questions. Thank you.


--  
*Si Yu 'os Ma 'ase',*  
**Amanda L. Shelton**  
Chief Policy Analyst  
Office of Senator Rodriguez

649-8638  
www.toduguan.com

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**2 attachments**

 **May 23, 2013-First Notice of Public Hearing.pdf**  
224K

 **Substitute Bill No. 20-32.pdf**  
647K



**SENATOR DENNIS G. RODRIGUEZ, JR.**

**FOR IMMEDIATE RELEASE**

**May 16, 2013**

**PRESS RELEASE  
FIRST NOTICE OF PUBLIC HEARING  
Thursday, May 23, 2013 at 12:30 p.m.**

In accordance with the Open Government Law, Public Law 24-109, relative to notice for Public Meetings. Please be advised that the Committee on Health & Human Services, Insurance Reform, Economic Development and Senior Citizens will be conducting a Public Hearing **Thursday, May 23, 2013 at 12:30 p.m.** at *I Liheslaturan Guåhan*'s Public Hearing Room in Hagåtña, on the following:

**12:30 p.m.**

- **Bill No. 20-32 (COR), as Substituted by the Committee on Health & Human Services, Health Insurance Reform, Economic Development, and Senior Citizens**, An act to establish a Healthcare Trust and Development Fund, by adding a new Chapter 97 to Title 10, Guam Code Annotated, and authorizing the expenditure of monies in the fund for the specific purpose of paying the outstanding debt payables of the Guam Memorial Hospital Authority, and establishing and funding a GMHA Urgent Healthcare Center on the hospital premises for non-emergency patients; this act to be cited as "*The GMHA Healthcare Trust and Development Act of 2013.*"

Testimony should be addressed to Senator Dennis Rodriguez, Jr., Chairman, and may be submitted via-hand delivery to our office at 176 Serenu Avenue Suite 107 Tamuning, Guam 96931 or our mailbox at the Main Legislature Building at 155 Hesler Place, Hagåtña, Guam 96910, or via email to [senatordrodriguez@gmail.com](mailto:senatordrodriguez@gmail.com).

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For further information, please contact the Office of Senator Dennis Rodriguez, Jr. at 649-8638 (TODU).

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Amanda Shelton <amanda@toduguan.com>

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## SECOND NOTICE OF PUBLIC HEARING-MAY 23, 2013

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Amanda Shelton <amanda@toduguan.com>  
To: phnotice@guamlegislature.org

Mon, May 20, 2013 at 4:42 PM

### MEMORANDUM

TO: ALL SENATORS  
FROM: Senator Dennis G. Rodriguez, Jr.  
SUBJECT: SECOND NOTICE OF PUBLIC HEARING-MAY 23, 2013

Buenas yan Hafa Adai!

The Committee on Health and Human Services, Health Insurance Reform, Economic Development and Senior Citizens has scheduled a Public Hearing for Thursday, May 23, 2013 at 12:30 p.m. The items on the agenda are as follows:

12:30 P.M.

- **Bill No. 20-32 (COR), as Substituted by the Committee on Health & Human Services, Health Insurance Reform, Economic Development, and Senior Citizens**, An act to establish a Healthcare Trust and Development Fund, by adding a new Chapter 97 to Title 10, Guam Code Annotated, and authorizing the expenditure of monies in the fund for the specific purpose of paying the outstanding debt payables of the Guam Memorial Hospital Authority, and establishing and funding a GMHA Urgent Healthcare Center on the hospital premises for non-emergency patients; this act to be cited as "*The GMHA Healthcare Trust and Development Act of 2013.*"

**Attached to this is notice is a copy of the bill.**

Thank you and I look forward to your presence and participation.

—

*Si Yu'os Ma'ase'*,

**Amanda L. Shelton**  
Chief Policy Analyst  
Office of Senator Rodriguez

649-8638  
www.toduguan.com

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**Substitute Bill No. 20-32.pdf**  
647K



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## SECOND NOTICE OF PUBLIC HEARING-MAY 23, 2013

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Amanda Shelton <amanda@toduguan.com>

Mon, May 20, 2013 at 4:50 PM

Bcc: Clynt Ridgell <clynt@spbguam.com>, Duane George <dmgeorge@guampdn.com>, dtamondong@guampdn.com, editor@mvariety.com, gdumat-ol@guampdn.com, gerry@mvguam.com, Sabrina Salas Matanane <hottips@kuam.com>, john@kuam.com, Josh Tyquiengco <jtyquiengco@spbguam.com>, mpieper@guampdn.com, mvariety@pticom.com, news@spbguam.com, nick.delgado@kuam.com, parroyo@k57.com, Sabrina Salas Matanane <sabrina@kuam.com>, slimtiaco@guampdn.com, zita@mvguam.com, Amritha Alladi <aalladi@guampdn.com>, Arvin Temkar <aktemkar@guampdn.com>, Cameron Miculka <cimiculka@guampdn.com>, "David V. Crisostomo" <dcrisostomo@guampdn.com>, "George, Duane M" <dmgeorge@guam.gannett.com>, gerry partido <gerrypartido.mvguam3@gmail.com>, James <officemanager@hitradio100.com>, Jason Salas <jason@kuam.com>, Jerick Sablan <jpsablan@guampdn.com>, Jesse Lujan <jesselujan27@yahoo.com>, "Jon A. Anderson" <editor@mvguam.com>, Joy <joy@mvguam.com>, Jr <news@lifeneews.com>, Katrina <life@guampdn.com>, Ken Quintanilla <kenq@kuam.com>, Kevin Kerrigan <kevin@spbguam.com>, Kevin Kerrigan <news@k57.com>, Marvic Cagurangan <marvic@mvguam.com>, Mindy Aguon <mindy@kuam.com>, Oyaol Ngirairikl <odngirairikl@guampdn.com>, Pacific Daily News <news@guampdn.com>, "rgibson@k57.com" <rgibson@k57.com>, Travis Coffman <thebigshow@k57.com>, William Gibson <breakfastshowk57@gmail.com>

Hafa Adai,



Please see attached notice of Public Hearing for Bill No. 20-32, as Substituted by the Committee on Health and Human Services, Insurance Reform, Economic Development and Senior Citizens, along with a copy of the bill. Please contact our office should you have any questions. Thank you.

—  
*Si Yu 'os Ma 'åse'*  
**Amanda L. Shelton**  
Chief Policy Analyst  
Office of Senator Rodriguez

649-8638  
www.toduguan.com

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### 2 attachments

-  **Substitute Bill No. 20-32.pdf**  
647K
-  **May 23, 2013 2nd Public Hearing Notice.pdf**  
237K



**SENATOR DENNIS G. RODRIGUEZ, JR.**

FOR IMMEDIATE RELEASE  
May 20, 2013

**PRESS RELEASE**  
**SECOND NOTICE OF PUBLIC HEARING**  
Thursday, May 23, 2013 at 12:30 p.m.

In accordance with the Open Government Law, Public Law 24-109, relative to notice for Public Meetings. Please be advised that the Committee on Health & Human Services, Insurance Reform, Economic Development and Senior Citizens will be conducting a Public Hearing Thursday, May 23, 2013 at 12:30 p.m. at *I Liheslaturan Guåhan*'s Public Hearing Room in Hagåtña, on the following:

**12:30 p.m.**

- **Bill No. 20-32 (COR), as Substituted by the Committee on Health & Human Services, Health Insurance Reform, Economic Development, and Senior Citizens:** An act to establish a healthcare trust and development fund, by adding a new Chapter 97 to Title 10, Guam Code Annotated, and authorizing the expenditure of monies in the fund for the specific purpose of paying the outstanding debt payables of the Guam Memorial Hospital Authority, and establishing and funding a GMHA Urgent Healthcare Center on the hospital premises for non-emergency patients; this act to be cited as "*The Gmha Healthcare Trust and Development Act of 2013.*"

Testimony should be addressed to Senator Dennis Rodriguez, Jr., Chairman, and may be submitted via-hand delivery to our office at 176 Serenu Avenue Suite 107 Tamuning, Guam 96931 or our mailbox at the Main Legislature Building at 155 Hesler Place, Hagåtña, Guam 96910, or via email to [senatordrodriguez@gmail.com](mailto:senatordrodriguez@gmail.com).

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For further information, please contact the Office of Senator Dennis Rodriguez, Jr. at 649-8638 (TODU).



**SENATOR DENNIS G. RODRIGUEZ, JR.**

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## SENATOR DENNIS G. RODRIGUEZ, JR.

### PUBLIC HEARING AGENDA

Monday, March 11, 2013

9:00 a.m.

Public Hearing Room, *I Liheslaturan Guåhan*, Hagatña, Guam

I. Call to Order

II. Announcements

III. Items for Public Consideration

9:00 am

- **The Executive Appointment of Mr. William E. Stanley, II**, Member, Guam Board of Allied Health Examiners.
- **The Executive Appointment of Ms. Marcelene Cruz Santos**, Member, Council on Mental Health and Substance Abuse (AKA 'The Advisory Council').

10:00 am

- **Bill 12-32(COR)**-B.F.J. Cruz- An act to amend §90A101 and §90A102 of Chapter 90A of Title 10 of Guam Code Annotated relative to prohibition and sale of candy cigarettes.
- **Bill 20-32(COR)**-D.G. Rodriguez, Jr.- An act to establish a healthcare trust and development fund, by adding a new Chapter 97 to Title 10, Guam Code Annotated, and authorizing the expenditure of monies in the fund by public health care providers for specific purposes pertaining to extinguishing the outstanding debt payables of the Guam Memorial Hospital Authority, and provide expanded healthcare services by establishing and funding a GMHA primary healthcare or urgent healthcare center for non-emergent patients; this act to be cited as "*The GMHA Healthcare Trust and Development Act of 2013.*"

IV. Announcements

V. Adjournment



## SENATOR DENNIS G. RODRIGUEZ, JR.

### PUBLIC HEARING AGENDA

Thursday, May 23, 2013

12:30 p.m.

Public Hearing Room, *I Libeslaturan Guåhan*, Hagatña, Guam

I. Call to Order

II. Announcements

III. Items for Public Consideration

12:30 p.m.

- **Bill No. 20-32 (COR)-as Substituted**, An act to establish a healthcare trust and development fund, by adding a new Chapter 97 to Title 10, Guam Code Annotated, and authorizing the expenditure of monies in the fund for specific purposes pertaining to extinguishing the outstanding debt payables of the Guam memorial hospital authority, and establishing and funding a GMHA urgent healthcare center for non-emergent patients; this act to be cited as “*The GMHA Healthcare Trust and Development Act of 2013.*”

IV. Announcements

V. Adjournment