SENATOR DENNIS G. RODRIGUEZ, JR.

December 9 2014

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. 402-32 (COR)

Dear Speaker Won Pat:

Transmitted herewith, for your consideration, is the **Bill 402-32 (COR)- An act to provide for the coverage of blood and blood derivatives by health insurance company or health care provider contracted to provide private sector small or large group health plans, by adding a new § 103123 to Chapter 103, Title 11, Guam Code Annotated. Introduced by Sen. Dennis G. Rodriguez, Jr.**, and referred to the Committee on Health & Human Services, Health Insurance Reform, Economic Development and Senior Citizens. Bill No. 402-32 (COR) was publicly heard on October 15, 2014.

Committee votes are as follows:

2 **TO PASS**
____ **NOT TO PASS**
____ **ABSTAIN**
5 **TO REPORT OUT ONLY**
____ **TO PLACE IN INACTIVE FILE**

2014 DEC 11 PM 3:43

Senseramente,

Senator Dennis G. Rodriguez, Jr.
Chairman

Attachments

Chairman, Committee on Health & Human Services, Health Insurance Reform, Economic Development, & Senior Citizens
Ufisinan Todu Guam • I Mina' Trenta Dos Na Liheslaturan Guåhan • 32nd Guam Legislature
176 Serenu Avenue, Suite 107, Tamuning, Guam 96931 / Telephone: 671-649-TODU (8638) / Facsimile: 671-649-0520
E-mail: senatordrodriguez@gmail.com / www.toduguam.com

COMMITTEE REPORT
ON

BILL NO. 402-32 (COR)

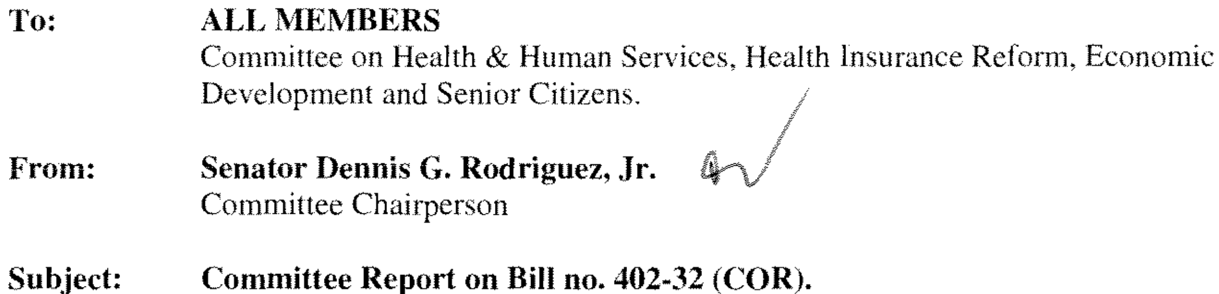
Sponsored by Senator Dennis G. Rodriguez, Jr.

An act to provide for the coverage of blood and blood derivatives by health insurance company or health care provider contracted to provide private sector small or large group health plans, by adding a new § 103123 to Chapter 103, Title 11, Guam Code Annotated.

SENATOR DENNIS G. RODRIGUEZ, JR.

December 9 2014

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. 402-32 (COR).**

Transmitted herewith, for your consideration, is the **Committee Report** on **Bill 402-32 (COR)- An act to provide for the coverage of blood and blood derivatives by health insurance company or health care provider contracted to provide private sector small or large group health plans, by adding a new § 103123 to Chapter 103, Title 11, Guam Code Annotated. Introduced by Sen. Dennis G. Rodriguez, Jr.** This report includes the following:

- Committee Voting Sheet
- Committee Report Narrative/Digest
- Copy of Bill No. 402-32 (COR)
- Public Hearing Sign-in Sheet
- Copies of Submitted Testimony and Supporting Documents
- Copy of COR Referral of Bill No. 402-32 (COR)
- Notices of Public Hearing (1st and 2nd)
- 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

Chairman, Committee on Health & Human Services, Health Insurance Reform, Economic Development, & Senior Citizens
Ufisinan Todu Guam • I Mina' Trenta Dos Na Liheslaturan Guåhan • 32nd Guam Legislature
176 Serenu Avenue, Suite 107, Tamuning, Guam 96931 / Telephone: 671-649-TODU (8638) / Facsimile: 671-649-0520
E-mail: senatordrodriguez@gmail.com / www.toduguam.com

SENATOR DENNIS G. RODRIGUEZ, JR.
COMMITTEE VOTING SHEET

Bill 402-32 (COR)- An act to provide for the coverage of blood and blood derivatives by health insurance company or health care provider contracted to provide private sector small or large group health plans, by adding a new § 103123 to Chapter 103, Title 11, Guam Code Annotated. Introduced by Sen. Dennis G. Rodriguez, Jr.

	SIGNATURE	TO PASS	NOT TO PASS	ABSTAIN	REPORT OUT ONLY	PLACE IN INACTIVE FILE
DENNIS G. RODRIGUEZ, Jr. **Chairman**		✓				
V. ANTHONY ADA **Vice Chairman**					12/9 ✓	
JUDITH T. WON PAT, Ed.D. **Speaker (Ex-officio)**						
BENJAMIN J. F. CRUZ **Vice-Speaker**					✓	
TINA ROSE MUNA-BARNES **Legislative Secretary**						
FRANK B. AGUON, Jr.	12/9/14				✓	
RORY J. RESPICIO	Rory J. Respicio	12-9-14				
ALINE A. YAMASHITA, Ph.D.						
THOMAS MORRISON						
MICHAEL LIMTIACO						
BRANT T. MCCREADIE						
CHRISTOPHER M. DUENAS					✓	

Chairman, Committee on Health & Human Services, Health Insurance Reform, Economic Development, & Senior Citizens
Ufisinan Todu Guam • I Mina' Trenta Dos Na Liheslaturan Guåhan • 32nd Guam Legislature
176 Serenu Avenue, Suite 107, Tamuning, Guam 96931 / Telephone: 671-649-TODU (8638) / Facsimile: 671-649-0520
E-mail: senatordrodriguez@gmail.com / www.toduguam.com

SENATOR DENNIS G. RODRIGUEZ, JR.

COMMITTEE REPORT DIGEST

Bill No. 402-32 (COR)

I. **OVERVIEW: The Committee on Health & Human Services, Health Insurance Reform, Economic Development and Senior Citizens conducted a public hearing on October 15, 2014.** The hearing convened at 3:30pm in I Liheslatura's Public Hearing Room. Among the items on the agenda was the consideration **Bill 402-32 (COR)- An act to provide for the coverage of blood and blood derivatives by health insurance company or health care provider contracted to provide private sector small or large group health plans, by adding a new § 103123 to Chapter 103, Title 11, Guam Code Annotated. Introduced by Sen. 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 October 8, 2014 (5-day notice), and again on October 10, 2014 (48-hour notice).

Senators Present

Senator Dennis G. Rodriguez, Jr. Chairman

The public hearing on agenda item Bill No. 402-32 (COR) was called to order at 3:32pm.

III. **SUMMARY OF TESTIMONY & DISCUSSION.**

Senator Dennis G. Rodriguez, Jr.: The committee will hear and accept testimonies both oral and written on Bill 402-32, AN ACT TO PROVIDE FOR THE COVERAGE OF BLOOD AND BLOOD DERIVATIVES BY HEALTH INSURANCE COMPANY OR HEALTH CARE PROVIDER CONTRATED TO PROVIDE PRIVATE SECTOR SMALL OR LARGE GROUP HEALTH PLANS and so we, we received, the committee has received written testimonies from the insurance, local insurance industry as well as, I'll just mention from Take Care Insurance, from Net Care, StayWell, and we also received from National Hemophilia Foundation and the Western States Regional Hemophilia Network.

I'd like to now call on those who signed up and wish to provide oral testimony, when I call your name can you please come up to the table up front. Dianna Santos, Mark Cosiko, Paul Villacorta, Ms. Rose Zabala.

I'd like to Recognize Senator Francis Santos, thank you for being here.

Thank you very much for being here this afternoon. What this, just briefly, what this bill is about, is to provide for the coverage of blood and blood derivatives by health insurance companies, this a

long standing issue that we have been working closely with, with Public Health with Rose Zabala and it really has come to forefront and really come up again during the, a few weeks ago there was a hemophilia conference on Guam and so this is something that we wanted to bring up and have started discussions. Mark has been the poster person for this with his effort, and so I thank you for being here.

You know what this does is that, we know that for Gov. Guam health insurance plans even to certain extent the federal plan we can get that clarified by the insurance companies provide coverage for blood and blood derivatives, as well as the public programs MIP and Medicaid. And you know, what we seen from few of the people who have hemophilia is that you are able bodied individuals that are, you know, able to work, want to work, but then are forced to quit your jobs quit in receiving income, you know, for you and your family and having to end up in public programs. And when that doesn't work out because maybe your spouse is also working in your incomes still above the threshold to get into these programs, some of you resort to leaving off-island and having to get treatment elsewhere and leaving your families behind and so you know, what we wanted to do was get it where you can still be employed and still be able to get that coverage in a private health plan in the commercial side. Okay so we'll start with Ms. Santos, please state your name and who you're representing if any, organization.

Diana Santos: Yes, I am Diana Santos, I'm a social worker with medical social services and I also am a social worker for the Guam Comprehensive Hemophilia care and so I have a written testimony on behalf of myself and Ms. Rose, Rose Zabala happens to be the program coordinator. First of all senator Rodriguez I just want to thank you, I'm really moved, we're really moved beyond words for your proposal of Bill 402-32 and as social workers we're here to advocate on behalf of our bleeding disorders community and for the common good of Guam.

Thank you for addressing the life saving needs of those with congenital bleeding conditions and for those requiring the need of blood and blood derivatives in time to heal health and trauma. Medical research has proven and reported about the many life sustaining functions of blood. The creation of this bill is almost like a dream come true for the patients we serve under the Guam Comprehensive Hemophilia Care program or the GCHCP. Which operates out of the Department of Public Health and Social Services, our data from last year's GCHCP clinics reported a total of 48 active patients, 27 males and 19 females diagnosed with Hemophilia and Von Willebrands disease, half of these males have Hemophilia of the severe type.

As of now, only the Government of Guam the Medicaid and the medically indigent program covers blood and blood products. Of patients in our Hemophilia registry are insured by private health insurances which do not provide coverage for blood and blood derivatives and 13% who are uninsured. As a result these patients are left to forgo prophylactic factored treatment because of the inability to afford such care. This also renders them extremely vulnerable to bleeding to death, should they find themselves in a traumatic situation. Bruising and constant bleeding will ultimately damage their joints and may inevitably place them in physically disabling conditions. Instead of seeking immediate medical care that could alleviate and or prevent further complications, they wait until they end up at the emergency room at the Guam Memorial Hospital. All because they're unable to afford blood and or blood derivatives. This leads to poor states of health for our patients.

Prevention and prompt treatment of bleeds via access to blood and or blood derivatives are the keys to promoting healthier, longer, and happier lives for our patients. Subsequently, this will also give their families peace of mind, security and happiness knowing that their loved ones are properly cared for and provided for. A number of our GCHCP patients express that they have a strong productive lives and advance themselves professionally. However, they feel like victims caught between a rock and a hard place. Should they earn, should they work earning above the eligibility limits of the Medicaid and MIP programs, they fear of losing their coverage of their factor supply. They shouldn't have to live in a constant state of panic, fear, and worry. They shouldn't have to choose between life and death.

Please make this dream of having private health insurance companies provide coverage for blood and blood derivatives, a life saving reality for our patients, their family members, our future generation, and for all on Guam. Blood and Blood products are necessity that we must insure provision all our lives depend on it. Thank you once again Senator Rodriguez for just hearing the cries of our patients and their families as well as the people of Guam. Thank you.

Lyn Okada: That was Beautiful, thank you for your time, this is like a how can I say, something that Rose has worked on for years, several years and she's been able to get it passed through the public insurance programs to provide the coverage and so now we're looking at broadening that coverage and that would be beneficial to so many of our clients who face ten thousand dollar bills, can't get a tooth extraction because they can't afford the prophylactic treatment and the after treatment after having an extraction. And how can I say, it also helps them be able to be productive because that's what they want to but when limitations to be able to treat versus work, they need to treat.

We want them to stay healthy, we want them to prevent disability and we see that need now because some of your patients don't go with regular treatment they don't get that infusion that they should get 3 times a week, so their setting, their ending up on a very hard road here but if the private insurance could cover them then they would really benefit from having that program, that coverage. The parents would feel proud that they can help their child and not feel helpless as Diane stated. That their able to do more on their own. I look at even Medicare, the coverage is not complete, but with StayWell helping satisfy that requirement they won't be stuck with a ten thousand dollar bill that affects their ability to get medication later on because the companies won't release a few doses without some sort of payment so, additional coverage would be beneficial to several families on the island. Thank you.

Mark Cosico: Hi Senator Dennis Rodriguez, I'd like to say thank you for giving us a chance to speak out and voice out our concerns about having no factor, no coverage in the private sector. I just want to read a testimony that I just had typed out, okay. My name is Mark Cosico, I'm 32 years old living with severe hemophilia, I'm married with 3 young kids and 1 child that is effected with a life long bleeding disorder. I try my best to provide a plan to give future for my family, but it's truly difficult to do that with one parent making income for a family of 5.

The way I see things are going so far is that hemophilia community can't really look forward to living life to its fullest, the reason why I say this, is the point that currently all private sector health insurance companies on Guam do not cover our medication called "Factor VIII." It's a must that we

Chairman, Committee on Health & Human Services, Health Insurance Reform, Economic Development, & Senior Citizens
Ufisinan Todu Guam • I Mina' Trenta Dos Na Liheslaturan Guåhan • 32nd Guam Legislature
176 Serenu Avenue, Suite 107, Tamuning, Guam 96931 / Telephone: 671-649-TODU (8638) / Facsimile: 671-649-0520
E-mail: senatordrodriguez@gmail.com / www.toduguam.com

take our medication, "Factor VIII" intravenously 3 times a week for life. This is called prophylaxis. It's a must that we do this to prevent serious bleeds and to maintain normal factor level in our body in case of any accidents, injuries, or spontaneous bleeds that may occur. Without proper medication it may lead to more serious health complications and even become disabled. We want to prevent this from happening to us. There's no cure for hemophilia, just a "Factor VIII" we need to live a normal life. This medication is very expensive to pay out of our pocket and even to pay a small percentage of it. Not even close to affordable. So we the hemophilia families will need to apply and go on Medicaid just to receive "Factor VIII" because they're the only insurance that covers this 100%.

I was working for the hospital industry hoping to climb up the ladders someday, but this was put on hold now. My wife already established herself at her current job and I had no choice to resign from my job. If I kept my job and we still had two incomes we wouldn't be qualified for Medicaid due to the money income bracket that we cannot exceed. It's very sad and unfortunate that I and others that are put in this position, not able to work, make money for our family, save for our kid's college fund, or incase of any emergency just to qualify for Medicaid. Why force people with our situation to depend only on Medicaid. On just getting medication to live a life like a normal person should. We don't want to depend on just Medicaid especially if we're willing and able to find a full time job that offers health insurance benefits and work hard to be a productive person in this society. And help contribute to the community of Guam by server them. But I understand there are some of us that really can't work because their health already deteriorated unfortunately from hemophilia and other health conditions associated with this disease. I ask myself what kind of future would my daughter and other families have living on Guam with hemophilia knowing that they will need to deal with what I'm dealing with right now if this doesn't change. No choice and limitation is all I see here, it's unfair for Guam's fast growing hemophilic community, everyone should have the right to prosper.

Every parent wants the best for their kids, I'm concerned for my daughters future and the rest of the young kids with bleeding disorder, because they won't have that opportunity to grow as a person with a mission in life. These are some of the struggles that I and other families face as a person with needs of blood and blood derivatives to live a healthy life style. Please put yourself in our shoes and imagine, I hope and pray to see this bill introduced by Senator Dennis Rodriguez becomes a law, so that we can provide a brighter future for our self and we can look forward, to become successful in life for our growing hemophilic community without the fear of having no courage of "Factor VIII" in our workforce. Thank you.

Paul Villacorta: Paul Villacorta, going back to what Mark said, this doesn't really pertain to me because with my health because of challenges that I face in life I'm unable to work either government or private but I could sympathies with all the other hemophilia's who are going through this struggle, like they have to cut down their hours or they have to quit work because they have to meet that income bracket of qualifying for Medicaid or whatever insurance and it's really unfair because like he said he has to provide for his families, support his kids and everything and he can't do that with all of the challenges that he has to face just to get the medicine for him and his daughter. And I'm just here in hopes that this bill does get passed we can get coverage for the hemophilia community. Not only hemophilia's but like Von Willebrand and all the other serious bleeding disorders with even mild or less than mild or whatever what have you. That's it, thank you.

Chairman, Committee on Health & Human Services, Health Insurance Reform, Economic Development, & Senior Citizens
Ufisinan Todu Guam • I Mina' Trenta Dos Na Liheslaturan Guåhan • 32nd Guam Legislature
176 Serenu Avenue, Suite 107, Tamuning, Guam 96931 / Telephone: 671-649-TODU (8638) / Facsimile: 671-649-0520
E-mail: senatordrodriguez@gmail.com / www.toduguam.com

Tanya S. Pangelinan: Yes, I'm Tanya Pangelinan, I actually am representing my son, Donovan Pangelinan, he has severe hemophilia he is 10 years old right now. Let me give you a little bit about him, he was diagnosed with hemophilia at 3 months old, being a parent I didn't know anything about this disease and I had to learn, I had to learn about what it is, what the problems were. The struggle that I've had with my son having this was that throughout since he was diagnosed, he's had many problems with bleeding, with joint injuries.

There were sometimes when he was a toddler were he couldn't walk he had to crawl and he was walking already, he had to crawl places where he wanted to all around the house. He had to be carried even at an older age he had to do that. Swellings can be this big in a child's knee, if it's really a bad. And he wasn't able to get we weren't able to get any kind of medication for him. This kind of goes to the line 3 on the bill, it starts on line 3 where it says that health insurance coverage of blood and blood derivatives is covered by government of Guam and federal civil services health plan.

My husband works for the federal, so I wanted to kind of get a clarification on what part of the federal covers that because he actually have take care insurance with the federal but it states in the packet that blood and blood products are not covered. So we wanted to kind of get a clarification on what part or which federal agency health plan does cover that. Right now, the biggest struggle that I've had was last year, my son, well he has be hospitalized a few times but, over a missing tooth he actually lost a baby tooth, his mouth didn't want to stop bleeding for over a month. They kept trying to his nurses worked with him, trying to give him the factor that he needed nothing worked, he had to be hospitalized and the only, the options that we got was that we pack up and leave or he has to get medivack because he needed to stop bleeding. So the only thing they came to us was that we need to give up guardianship over him, for him to receive the medication that he needs. So that's the only option that we had so my mother inlaw right now has guardianship over my son, in order for him to survive through this disease that he has. So I just actually I know it's about the private sector but I just wanted to get that clarification you know if federal can cover it, with whatever plan that we have.

Senator Dennis G. Rodriguez, Jr.: Okay Thank you, and we'll invite the insurance industry representatives who are here later and we'll ask those questions. Thank you very much.

Dr. Lee Meadows: I want to back up just a little bit. Hemophilia has been a problem for a long long time and we don't think about it much from way back because back before 34-40 years ago no male with hemophilia survived much beyond the age of 20 maybe to 30, now the ladies survived and the ladies are the ones that carried hemophilia down to the next generations and the next generations. Senior ladies in our Hemophilia community but there were no senior man, but there's not one. Because they did not survive and it wasn't thought of that much because there weren't many people that survive with Hemophilia.

About 50 years ago it was discovered that if they gave something out of fresh blood to Hemophilic you stop bleeding and it was discovered through some careful research by about 40 years ago, "Factor VIII", and enzyme found in the blood that's worked with stopping of bleeding. And hemophilic by definition are missing, either that Factor or another Factor 9. And that's what caused them not to stop bleeding. Well Factor VIII became available, then the treatment of hemophiliac

176 Serenu Avenue, Suite 107, Tamuning, Guam 96931 / Telephone: 671-649-TODU (8638) / Facsimile: 671-649-0520
E-mail: senatordrodriguez@gmail.com / www.toduguam.com

including that on Guam, became that of when somebody bled, you got them to E.R. and after much to do they eventually would receive an infusion of "Factor VIII" which would slow the bleeding down maybe stop it and they were sent home and that was it till the next time they bled. And this kept them alive, they weren't dying anymore but all those people that damaged done their joints by that blood. And they were disabled. And there were very few hemophiliacs in that generation beyond the age of 20 who could hold any kind of gainful employment because they had such severe arthritis, in both their arms legs and elbows, ankles, feet. About 20 years ago, very nice lady by the name of Judith Baker, federal employee took compassion upon Guam and she brought modern hemophilia treatment to Guam and then life changed from reacting to bleeds to preventing them, now when she started 1995 we had probably 30 active bleeders on this island give or take a few, most of which were under the age of about 15.

A few were a little older but most who are under the age of 15. Now that generation is grownup and today the treatment of hemophilia is we don't treat bleeds, because we don't have bleeds. We've done lots and lots of things to prevent bleeds including giving prophylactic factor, including all sorts of things with exercise, how to treat a bleed, how to be safe for 16 years have been having training, every year intensely with these hemophilic boys and their families, among other things about how to treat and how to prevent bleeds and joint damage.

And today, almost all of our people over the age of 30 have severe arthritis. Most the kids that were kids back when we start are now in their 20s. They don't have arthritis and they're able to work except if they worked then they make money and if they make money they can't get Medicaid, and if they can't get Medicaid then they can't get Factor and if we want to be able to keep this community of children, not children anymore excuse me, of young adults as being the productive members of this society they want to be and there's a huge difference between what these kids are doing and what the kids one generation above them. Most of which aren't with us anymore, were able to do. It's a huge difference, and as you see those of our kids who don't have access to prophylactic factor which is only a few there of not having damaged joints and that's something that they need to be able to have.

Factors, undoubtedly expensive, prophylactic factors are more expensive than just giving to react to a bleed, but when you look at the long term benefits, these kids don't need joint replacements they're not on disability, they're not on welfare roles, they're not on disability payments. They're able to be productive people in life, and they're going to live reasonably normal life span, probably. So Senator, I really encourage you to be able to find a way and I'm not quite sure how that works on Guam or we don't have a lot of insurance regulation, finding a way to encourage employers and health plans to cover hemophilia. Other blood products as well, would be nice to get blood for your transfusions when you have cancer and this kind of stuff or accidents, but when I'm looking specifically our community, trying to keep people in the mainstream through preventive medicine, and Dennis if you know me at all, I stand for preventive medicine, that's where I make my living doing is preventive medicine and that's why this is close to me. Is if this is one of those things that an ounce prevention is worth a pounds of cure we all heard that. And if we can just make this expensive drug, available drug, enzyme, available to this limited number of people, it will make a difference in our society.

It's made a difference, you attended our last Hemophilia camp, you saw the community spirit among those people, and you saw the willingness of those people who are willing to give back to the community. And I'm really glad that you've taken interest in this and again as I see my colleagues here in the insurance industry, we've had meals together, we argue are on both sides of the issue because we come from different points of view and I understand their side as well. And that's why I say if there's any way that we can move the business community. They got to get paid for paying for it then move our business community to a point where the standard of care is as it is in the states, the standard of care is that, factor products are not blood products, there not, there not even made from blood, they're not derived from blood, they aren't enzyme found in blood, Artificially made. Just like insulin is an enzyme found in blood artificially made "Factor VIII" is no different and it should not be excluded from coverage just because it happen to be an enzyme found in blood. Thank you.

Senator Dennis G. Rodriguez, Jr.: Thank you very much Doc, I think you provided very powerful testimony and so you know this is something that we're trying to do with this measure we'll work with our friends and the insurance company to see how we can make this work and maybe if it means, carving it out further to make a deal with just this for now, you know, it's piecemeal but I know people don't like piecemeal work but if that's what's going to take to move this forwards for at least this community then we'll see if that's an option.

Dr. Lee Meadows: Well but also there is a very definite logic, to quit calling Factor a blood product. Originally insulin was derived from pork pancreas or pig pancreases, but that isn't the case anymore, that's not how it's gotten and the "Factor VIII" is being given isn't even the same "Factor VIII" the body would make just like the insulin we give isn't the same insulin, this is an enzyme just like the other enzymes that we've, you know, growth hormone and estrogen all those other things that we give this is not like giving a unit of blood, it's definitely not a blood product. All those it is found in blood, it's not a blood product. And some sense for inability to take blood and blood products well yeah that's a nice thing, but this is something that really shouldn't be considered that.
Senator Dennis G. Rodriguez, Jr.: Thank you very much Doc.

Rose Zabala: Yes I'll speak brief, my name is Rose Zabala and I'm administrator from the Bureau of Community Health Services at Public Health I'll speak to you brief but, I will talk to you from my heart. Back in 1996 there was no comprehensive Hemophilia care program in Guam and I was then a very young social worker working with Medical Social Services. Referred to us by Child Protective Services for children that have an explain bruises, this young man was younger at 25 years ago it was then that what prompted me to spear head the efforts to develop a comprehensive Hemophilia care program in Guam. We're very fortunate that we have committed people that wants to work with us to really address this.

Back then I made a promise to myself I will only retire if blood and blood products are covered for our patients. It's my passion to help our community. I've seen the suffering you've only heard 2 or 3 of them, but we heard many stories from our families who have left the island, sacrificing being away from their families to relocate to the mainland because they can not get the care here on Guam. This is inhuman, this is not a third world country, this is Guam, this is a territory. So I know we have health insurance companies here and I know that they're trying to protect their business but we are here to protect the lives of the people that we serve in this community. Senator Rodriguez we thank

176 Serenu Avenue, Suite 107, Tamuning, Guam 96931 / Telephone: 671-649-TODU (8638) / Facsimile: 671-649-0520
E-mail: senatordrodriguez@gmail.com / www.toduguam.com

you for always championing the health of our people and if this bill is passed into law, this is really history and thank you for your efforts.

Senator Dennis G. Rodriguez, Jr.: Thank you very much Rose, but you said something that you're going to retire if blood is covered then. Because we don't want you to retire, okay so. Thank you very much for your testimony, and we're going to work hard with our partners and to see how we can move this forward but clearly it's something that needs to move forward and we'll find a way to do it. Thank you very much, thank you.

I know the insurance representatives were not going to testify orally but there were some questions raised about the federal coverage and if I can call Frank, please if you can come up. We'll just wait till you turn on the Mic.

Frank Campillo: For clarification Senator, some federal plans on the continental U.S. covered one of the Blue cross Blue Shield plans are so. In certain cases for instance when you have a global package with a hospital and if you going to have a quadruple bypass and the blood is part of that bypass evidently you pay the global package. So in some circumstances in the federal package it is covered, Government of Guam is covered as you know, otherwise in the commercial market it's good with some exceptions, of course one of the things that the doctor says and I like what the doctor say.

Instant coverage and what that means and it's something I believe it will be greater benefit for the people of Guam and the island of Guam is to have your nearest of coverage for the people of Guam that way you cannot spread the risk farther and you're able to assimilate somewhat these additional cost that are going to be needed, I mean we feel for the community but at the same time everything you want to a health plan has a costs and we don't make those decisions, if an employer tells us I want to cover blood and derivatives we price it accordingly and we pride the benefit, so at the end of the day the story ends up with those who buy health insurance and I think the story should also end with those who buy health insurance by having to provide universal coverage. And that's the state of my testimony here today senator the clarification of the coverage and the fact that the Doctor is correct, this is 10 universal coverage.

Senator Dennis G. Rodriguez, Jr: Thank you very much. Does anyone want to, Senator or Jeff? Okay, and they do have written testimony. Maybe after you can speak to one of the representatives after the hearing but thank you for that clarification because it is in the intent portion of the Bill the findings that we did have information and Frank.

To some extent, federal civil service health plans do cover blood products and so but I guess it depends on what, that's right. And some also in the commercial do cover understand. That's right. Okay so we'll take all of this in and we'll work we're not going to put this out, we'll work with them to make it something going to be acceptable but knowing what the intent is, is to cover, insure that the coverage is there for this community especially we'll move forward with that. Thank you very much, it's 4, this hearings adjourned.

Chairman, Committee on Health & Human Services, Health Insurance Reform, Economic Development, & Senior Citizens
Ufisinan Todu Guam • I Mina' Trenta Dos Na Liheslaturan Guåhan • 32nd Guam Legislature
176 Serenu Avenue, Suite 107, Tamuning, Guam 96931 / Telephone: 671-649-TODU (8638) / Facsimile: 671-649-0520
E-mail: senatordrodriguez@gmail.com / www.toduguam.com

There being no other testimony, or comments by Senators, Chairman Rodriguez declared the bill as having been heard, and concluded the public hearing on Bill No. 402-32 (COR).

Fiscal Note: Fiscal Note dated Oct. 23, 2014, attached.

III. FINDINGS AND RECOMMENDATIONS

The Committee on Health & Human Services, Health Insurance Reform, Economic Development and Senior Citizens, hereby **reports out Bill No. 402-32 (COR),** with the recommendation to Report out only.

Chairman, Committee on Health & Human Services, Health Insurance Reform, Economic Development, & Senior Citizens
Ufisinan Todu Guam • I Mina' Trenta Dos Na Liheslaturan Guåhan • 32nd Guam Legislature
176 Serenu Avenue, Suite 107, Tamuning, Guam 96931 / Telephone: 671-649-TODU (8638) / Facsimile: 671-649-0520
E-mail: senatordrodriguez@gmail.com / www.toduguam.com

MINA' TRENTAI DOS NA LIHESLATURAN GUAHAN
2014 (SECOND) Regular Session

Bill No. 402-32 (COR)

Introduced by: **D.G. RODRIGUEZ, JR.**

AN ACT TO PROVIDE FOR THE COVERAGE OF BLOOD AND BLOOD DERIVATIVES BY HEALTH INSURANCE COMPANY OR HEALTH CARE PROVIDER CONTRACTED TO PROVIDE PRIVATE SECTOR SMALL OR LARGE GROUP HEALTH PLANS, BY ADDING A NEW § 103123 TO CHAPTER 103, TITLE 11, GUAM CODE ANNOTATED.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent: *I Liheslaturan Guåhan* finds that the health insurance coverage of blood and blood derivatives is covered by Government of Guam and Federal civil service health plans, but not private sector plans for small and large group plans.

I Liheslaturan Guåhan takes due notice the necessity of establishing essential health benefits, guaranteed availability, and a prohibition on rescissions

It is, therefore, the *intent* of *I Liheslaturan Guåhan* to provide a mandate for this coverage, just as it is mandated pursuant to §4302(i) of Article 3 of Chapter 4, Title 4 Guam Code Annotated, as an essential health benefit for Government of Guam employees, retirees and dependents.

Section 2. A new § 103123 is hereby added to Chapter 103, Title 11, Guam Code Annotated, to read:

1 "**Health Insurance Coverage; Blood and Blood Derivatives,**
2 **Mandate Established.**

3 (a) No health insurance company or health care provider contracted
4 to provide health care to employees in a small group or large group plan may
5 deny coverage to the employee or dependent on the basis of blood or blood
6 derivatives. Blood and blood derivatives *shall* be covered and may be
7 subject to maximum limitations per annum.

8 (1) Guaranteed Availability;

9 (i) Prohibition of Preexisting Condition Exclusions or
10 other discrimination based on Health Status. As a condition of
11 conducting health insurance coverage on Guam, a group health
12 plan and a health insurance issuer offering group or individual
13 health insurance coverage *shall* not impose any preexisting
14 condition exclusion with respect to such plan or coverage,
15 pursuant to section 2 (a) of this Act.

16 (ii) Definition, for the purposes of this part. The term
17 "preexisting condition exclusion" means, with respect to
18 coverage, a limitation or exclusion of benefits relating to a
19 condition based on the fact the condition was present before the
20 date of enrollment for such coverage, whether or not any
21 medical advice, diagnosis, care, or treatment was recommended
22 or received before such date.

23 (2) Prohibition on Rescissions. For the purposes of this
24 section, and in conformance with SEC. 2712 [42 U.S.C. 300gg–12]
25 *Prohibition On Rescissions*, a group health plan and a health
26 insurance issuer offering group or individual health insurance

1 coverage shall not rescind such plan or coverage with respect to an
2 enrollee once the enrollee is covered under such plan or coverage
3 involved, except that this section shall not apply to a covered
4 individual who has performed an act or practice that constitutes fraud
5 or makes an intentional misrepresentation of material fact as
6 prohibited by the terms of the plan or coverage. Such plan or
7 coverage may not be cancelled except with prior notice to the
8 enrollee, and only as permitted under Section 2702(c), 2703(b) or
9 2742(b) of the Public Health Service Act.

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

15 **Section 4. Effective Date.** This Act shall become immediately effective
16 upon enactment.

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

ORAL TESTIMONY

PUBLIC HEARING DATE / Wednesday, October 15, 2014 3:30pm

Bill 402-32 (COR)- An act to provide for the coverage of blood and blood derivatives by health insurance company or health care provider contracted to provide private sector small or large group health plans, by adding a new § 103123 to Chapter 103, Title 11, Guam Code Annotated. Introduced by Sen. Dennis G. Rodriguez, Jr.

PRINT NAME	SIGNATURE	AGENCY	ORAL TESTIMONY	WRITTEN TESTIMONY	IN FAVOR	OPPOSE	CONTACT NUMBERS	EMAIL ADDRESS
✓ Diana Santos	[signature]	DPHSS	✓	✓	✓		735-7254	diana.santos@dphss.guam.gov
✓ Mark Cosico	[signature]	student	✓		✓		727-3580	ccosico@hotmail.co
✓ Paul Villacorta	[signature]	N/A					689-8177	watlove97020@gmail.com
✓ Tanya S. Pangelinan	[signature]	N/A	✓		✓		637-4363	None
✓ Rose Zabala	[signature]	DPHSS	✓		✓		797-6755	
✓ Lyn Okada		DPHSS						
— None follows —								

Bill 402-32 (COR) Page 2 of 2.

SENATOR DENNIS G. RODRIGUEZ, Jr., Chairman

COMMITTEE ON HEALTH & HUMAN SERVICES, HEALTH INSURANCE REFORM, ECONOMIC DEVELOPMENT AND SENIOR CITIZENS

Mina'trentai Dos Na Liheslaturan Guåhan • 32nd Guam Legislature

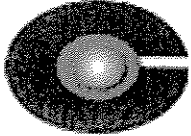
NO ORAL TESTIMONY

PUBLIC HEARING DATE / Wednesday, October 15, 2014 3:30pm

Bill 402-32 (COR)- An act to provide for the coverage of blood and blood derivatives by health insurance company or health care provider contracted to provide private sector small or large group health plans, by adding a new § 103123 to Chapter 103, Title 11, Guam Code Annotated. Introduced by Sen. Dennis G. Rodriguez, Jr.

PRINT NAME	SIGNATURE	AGENCY	ORAL TESTIMONY	WRITTEN TESTIMONY	IN FAVOR	OPPOSE	CONTACT NUMBERS	EMAIL ADDRESS
HERMAN ADA	[signature]	CALVO'S SELECTCARE		✓		✓	477-9808	Fcampillo@calvos.com
Cindy Malamum	[signature]	DPHSS			✓			maria.malamum@dphss.guam.gov
Santa Villacort	[signature]	GMH.		✓	✓			
Julie Peredo	[signature]	Parent			✓		687-1947	
CHERISSE SANTIAGO	[signature]	DPHSS			✓		735-7174	cherisse.santiago@dphss.guam.gov
William Reyes	[signature]	DPHSS			✓		735-7168	william.reyes@DPHSS.guam.gov
Lee Meadows, MD	[signature]	DPHSS	/		/		735-7432	lmdws@yahoo.com
	None follows—							

↑ Lee Meadows, MD



WESTERN STATES REGIONAL HEMOPHILIA NETWORK
The Center for Comprehensive Care & Diagnosis of Inherited Blood Disorders
1310 West Stewart Drive Suite 606
Orange, CA 92868-4690 Phone: (714) 600-4712 Fax: (714) 600-4791

Diane J. Nugent, M.D.
Regional Director
dnugent@c3dibd.org

Judith Baker, DPH, MHSA
Public Health Director
judithbaker@mednet.ucla.edu

Representing 14 Hemophilia Treatment Centers in California, Guam, Hawaii, and Nevada
Providing comprehensive diagnostic, treatment, prevention, research, and cost effective pharmacy services for a longer, healthier life

October 13, 2014

Senator Dennis G. Rodriguez, Jr.
Chairman of the Committee on Health and Human Services
I Mina'trentai Dos Na Liheslaturan Guahan/32nd Guam Legislature
176 Serenu Avenue, Suite 107
Tamuning, Guam 96913

Dear Senator Rodriguez: RE: Support Bill No. 402-32 (COR), *An Act To Provide For The Coverage Of Blood Derivatives By Health Insurance Company*

The Western States Regional Hemophilia Network represents 14 federally supported Hemophilia Treatment Centers that provide comprehensive diagnostic, treatment, prevention, research, and pharmacy services to residents throughout California, Guam, Hawaii and Nevada to promote longer, healthier lives for individuals with hemophilia and other rare, genetic, medically complex bleeding disorders. The Guam Comprehensive Hemophilia Care Program (GCHCP) is part of our regional network since 1997, operating out of the Guam Department of Public Health and Social Services. The GCHCP's specialty care helps Guam youth with hemophilia to grow strong and stay in school, by knowing how to proactively manage their bleeding disorder. However, the employment for Guam residents with bleeding disorders is often obstructed by insurance plan restrictions.

Therefore, we strongly support Bill No. 402-32 (COR), *An Act To Provide For The Coverage Of Blood Derivatives By Health Insurance Company* as it will increase medication access and affordability to one of Guam's medically vulnerable populations.

Hemophilia and related genetic bleeding disorders have no cures. Affected persons are at risk for spontaneous, painful, and prolonged internal bleeding into the joints and soft tissues, often resulting in limb deformities. Internal bleeding to the head, throat and abdomen can be fatal. Effective hemophilia treatment involves lifelong infusions of blood derivative therapies to prevent or reduce this internal bleeding. These therapies have no generic equivalents, and are extremely expensive: $300,000 annually on average for a person with severe hemophilia. Costs can rise to over $1 million if an individual develops complications such as an 'inhibitor' - an immune response to treatment, or HIV/AIDS, hepatitis, chronic joint disease, or bleeding following trauma or surgery.

By precluding health insurers or healthcare providers from denying coverage to employees or their dependents on the basis of blood or blood derivatives, regardless of whether the condition was preexisting, or from rescinding a plan or coverage in certain instances, Bill No. 402-32 affords Guam residents with bleeding disorders access to their lifesaving medications. Bill No. 402-32 will therefore help Guam residents with hemophilia get jobs and become tax paying productive citizens. By ensuring access to coverage, Bill No. 402-32 also fosters patient adherence to physician recommended treatment, thereby helping reduce the number of bleeds and/or hospitalizations. Fewer bleeds furthers school and employment success.

We are confident that this proposed legislation will advance accessible and affordable healthcare for Guam residents with bleeding disorders. Thank you for considering our comments. Please contact us if you have questions.

Best,

Diane J. Nugent, M.D.
Regional Director

Judith Baker, DPH, MHSA
Public Health Director

October 8, 2014

Senator Dennis G. Rodriguez, Jr.
Chairman of the Committee on Health and Human Services
I Mina'trentai Dos Na Liheslaturan Guahan
32nd Guam Legislature
176 Serenu Avenue, Suite 107
Tamunig, Guam 96913

Dear Senator Rodriguez:

The National Hemophilia Foundation (NHF) and Hemophilia Federation of America (HFA) are national organizations advocating for individuals with bleeding disorders across the United States. Our missions are to ensure that individuals affected by hemophilia and other inherited bleeding disorders have timely access to quality medical care, therapies and services, regardless of financial circumstances or place of residence.

We are writing to strongly support Bill No. 402-32 (COR), *An Act To Provide For The Coverage Of Blood Derivatives By Health Insurance Company, et al,* and commend Senator Rodriguez for taking a pivotal step in the direction of increased access and affordability for the bleeding disorders community. Hemophilia and related bleeding disorders are rare, complex genetic conditions for which there are no known cures. Individuals often experience spontaneous and prolonged internal bleeding into the joints and soft tissues. Given the unique needs of the population that we serve, accessibility and affordability are of paramount importance to NHF and HFA.

To effectively manage these disorders, patients often require lifelong infusions of clotting factor therapies that replace the missing or deficient blood proteins, thus preventing debilitating and life-threatening internal bleeding. Clotting factor therapies are biological products derived either from human blood plasma or by using recombinant technology. There are no generic equivalents to these therapies.

While today's therapies are safer and more effective than ever, they are also more costly than other types of medication. For example, cost of treatment for a person with severe hemophilia can reach $300,000 per year or more. Developing an inhibitor (i.e., an immune response to treatment) or other complications such as HIV/AIDS, hepatitis, chronic joint disease, or bleeding as a result of trauma or surgery can increase those costs to over $1 million.

Given the incredible expense for treatment, until recently (with passage and implementation of the Affordable Care Act), individuals with hemophilia and related bleeding disorders in the United States faced extreme difficulties in accessing and maintaining adequate healthcare coverage. Individuals could be precluded from obtaining coverage due to preexisting conditions in some situations, and often faced

discriminatory practices aimed at making consistent coverage inaccessible and unaffordable for the average family.

The guarantee issue and renewability provisions of the ACA, among others, have provided access and stability in healthcare coverage previously unseen by the bleeding disorders community. By ensuring access to coverage, patients are enabled to stay adherent to physician recommended dosing and/or treatment, potentially reduces the number of bleeds and/or hospitalizations, and provides individuals with bleeding disorders the opportunity to stay in school or on the job.

By precluding health insurers or healthcare providers from denying coverage to employees or their dependents on the basis of blood or blood derivatives, regardless of whether the condition was preexisting, or from rescinding a plan or coverage in certain instances, Bill No. 402-32 affords individuals with bleeding disorders in Guam necessary and important access to their lifesaving medications.

Above all, NHF and HFA value patient care. We are confident that this proposed legislation would go a long way towards promoting accessible and affordable healthcare for individuals with bleeding disorders. We appreciate the opportunity to share our comments. If you have any questions or require additional information, please do not hesitate to contact Nicole Quinn-Gato at ngato@hemophilia.org or Katie Verb at k.verb@hemophiliafed.org.

Sincerely,

Nicole Quinn-Gato
Senior Policy Analyst
National Hemophilia Foundation

Katie Verb
Manager, Policy & Advocacy
Hemophilia Federation of America

TakeCare Insurance Company, Inc.
P. O. Box 6578, Tamuning, Guam 96931
Telephone: (671) 646-6956 Fax: (671) 647-3520

October 15, 2014

VIA EMAIL: senatordrodriguez@gmail.com

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

Re: **Written Testimony for Bill No. 402-32**

Dear Senator Rodriguez and Members of the Committee:

Thank you for the opportunity to submit written testimony on Bill No. 402-32 ("Bill 402"). My name is Jeff Larsen and I am the President for TakeCare Insurance Company, Inc. ("TakeCare") and provide these comments in that capacity. As noted herein, TakeCare does not support Bill 402 for a variety of reasons outlined below. But before addressing my points in opposition it must be clarified that the Federal Employee Health Benefit Plan (FEHBP) does not cover blood or blood derivatives for it's Federal workers on Guam. The legislative findings and intent noted in Section 1 indicate that Federal Civil Service Health Plans covers these items, which is not accurate for more than 97% of Federal employees on Guam.

State mandated benefits raise costs to consumer and will burden the Government of Guam for funding mandated benefits.

Mandated health insurance benefits or "mandates" are benefits that are required to cover the treatment of specific health conditions, certain types of healthcare providers, and some categories of dependents, such as children placed for adoption. A number of health care benefits are mandated by either state law, federal law — or in some cases — both.

Prior to passage of the PPACA, between the states and the federal government there are more than 2,000 health insurance mandates. Guam recently received a waiver from some PPACA mandates because it was proven the costs and implications of health reform were to heavy a burden and could not be carried by the local market. Returning to mandated health benefits for Guam is not the answer as the commercial insurance

market has yet to fully absorb the remaining requirements of PPACA requirements not covered under the waiver.

Mandated Health Insurance Benefit Laws Raise Insurance Premiums

□Mandated health insurance laws passed at either the federal or state level usually fall into one of three categories:

1. Health care services or treatments that must be covered, such as substance abuse treatment, contraception, in vitro fertilization, maternity services, prescription drugs, and smoking cessation.

2. Coverage mandates for healthcare providers other than physicians, such as acupuncturists, chiropractors, nurse midwives, occupational therapists, and social workers.

3. Mandating coverage for dependents and other related individuals, such as adopted children, dependent students, grandchildren, and domestic partners.

The mandated benefit laws most often apply to health insurance coverage offered by employers and private health insurance purchased directly by an individual.

Most people – whether for or against mandates – agree that mandated health benefits increase health insurance premiums. According to the National Council of State Legislatures, depending on the mandated benefit and how that benefit is defined, the increase cost of a monthly premium can increase from 0.1% to more than 5% annually. Because the cost to acquire, transfuse, and provide for blood and blood derivatives are very costly, premiums will be profoundly impacted for all rate payers if these mandates are passed and required under the law.

Mandated benefits fee will be passed on to consumers absorbing an already heavy burden for rising health insurance costs under health care reform.

"Obamacare" has done much to reform health insurance in the United States and along with those reforms comes a significant cost burden for policyholders. No one will argue against the merits of providing health insurance to more people, covering children to age 26, removing requirements for eliminating pre-existing conditions (rescission) among others, but as more mandated 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. The economic forces at play in the health and welfare benefit marketplace should determine which benefits are added or removed based on the needs of their workforce. TakeCare currently offers plans where these blood and blood derivatives are covered and they are more costly to the consumer. When richer plans are offered against plans that are more affordable and

offer fewer benefits, richer benefit plans are often not selected by the commercial/private employers because of the higher premium costs.

Under PPACA State Mandated Health Insurance Benefit Should Be Funded By The State

Under PPACA Appendix 2 Section 10104(e□(3) RULES RELATING TO ADDITIONAL REQUIRED BENEFITS.—□(A) IN GENERAL.—Except as provided in subparagraph (B), an Exchange may make available a qualified health plan notwithstanding any provision of law that may require benefits other than the essential health benefits specified under section 1302(b).
(B) STATES MAY REQUIRE ADDITIONAL BENEFITS.—□
(i) IN GENERAL.—Subject to the requirements of clause (ii), a State may require that a qualified health plan offered in such State offer benefits in addition to the essential health benefits specified under section 1302(b).□
(ii) STATE MUST ASSUME COST.—Replaced by section 10104(e)(1).□A State shall make payments—□(I) to an individual enrolled in a qualified health plan offered in such State; or (II) on behalf of an individual described in sub clause (I) directly to the qualified health plan in which such individual is enrolled; to defray the cost of any additional benefits described in clause (i).

It is not specified in the legislation as to whether Government of Guam intends to fund these benefits. It does appear however that the Government of Guam is requiring these benefits, but without any funding or support for either the insured or the insurance provider, but as required under Federal law, if the mandated benefit is required under state law, the state must assume the cost or offset the costs to the consumer. Currently there is no funding mechanism for this benefit to be mandated.

Guaranteed Availability

As a part of the waiver NAIC argued for and acquired on behalf of the health plans on Guam, guaranteed availability was one of the major "legs of the stool" or the 3R's that could not be supported on Guam.

The "3Rs," as they are commonly known as the legs of the reform stool, were provisions scheduled for 2014 that concern pooling and risk-sharing. These provisions are intended to remove health status from premium calculations, so that neither individuals nor employer groups who have sick employees are rate-disadvantaged. Here's what you need to know.

Reinsurance program. Health and Human Services (HHS) and the states will establish a $25 billion transitional (2014 through 2016) reinsurance program for the Individual market. The program is being funded by health insurers and group health plans. Guam was never considered in scope for this plan and despite paying health insurance taxes to the Federal government none of these funds are earmarked for Guam. Perhaps the committee would consider tapping HHS for these funds to be returned for the benefit of the people of Guam.

Risk corridors. This provision establishes a risk corridor program for "Qualified Health Plans (QHPs)" in the Individual or Small Group market (2014 through 2016) based on the plan's ratio of allowable costs to a target amount (modeled on the risk corridors under Medicare Part D for regional PPOs). This was never in scope for Guam.

Risk-adjustment program. HHS or the states will establish a risk-adjustment process for the Individual and Small Group markets within that state that assesses a charge on issuers whose actuarial risk for a year is less than the average, and pays issuers whose actuarial risk for a year is greater than the average. Again, this was a provision that was not afforded to Guam that would help stabilize the market in light of imbalanced health insurance reform.

Guaranteed availability makes sense when there are support mechanisms such as those items above in place to ensure "universal" health care where all participants in the market are required to obtain coverage ostensibly spreading the risk to those who are low utilizers paying in to the pool to offset the cost of those who are high utilizers.

Nothing has changed since the HHS waiver was given just a few short months ago. To reinstate a non-viable market requirement such as guaranteed availability without real reform or requirements that all residents compulsorily obtain health insurance coverage will once again destabilize the local insurance marketplace.

CONCLUSION

In conclusion, TakeCare respectfully submits Bill 402-32 should not be passed into law. The Bill imposes a burden on consumers of health insurance that they should not be asked to shoulder. Allow free enterprise and the consumer market to determine which benefits should be considered for their employees needs rather than mandate benefits that are unfunded.

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

Sincerely,

JEFFREY P. LARSEN
President
TakeCare Insurance Co.

cc: TakeCare Representatives

October 15, 2014

The Honorable Dennis G. Rodriguez, Jr.
Chairman, Committee of Health and Human Services,
Health Insurance Reform, Economic Development
And Senior Citizens
32nd Guam Legislature
176 Serenu Avenue, Suite 107
Tamuning, Guam 96931

RE: Bill 402-32 (COR)

Dear Senator Rodriguez:

Thank you for the opportunity to submit written testimony on Bill 402-32. We support the intent of this proposed legislation. However, we need to address certain provisions of the proposed legislation that are problematic.

COVERAGE FOR BLOOD and BLOOD DERIVATIVES

We do provide this benefit to certain accounts. However, this benefit was requested by the employers with the necessary premium adjustments for the addition of the benefit. We recommend that the market forces determine the need for this benefit as well as any other benefits. As you are aware, this specific benefit is not one of the ten (10) essential health benefits mandated under the ACA. Mandating benefits, by local or federal law, has the effect of raising premiums. This impact is then transferred or shared by the employer and employees. StayWell has calculated what the impact on premiums would be if this benefit were to be added, and the increase would range from ?% to ?% for all plans.

GUARANTEED AVAILABILITY & PROHIBITION OF RESCISSIONS

As you are aware, the US Department of Health and Human Services (HHS) issued a letter to each of the insurance commissioners in the US Insular Areas on July 16, 2014, stating that six provisions of the ACA (including Guaranteed Availability and Essential Health Benefits) would no longer apply in the USVI, Puerto Rico, American Samoa, Guam and the CNMI.

HHS removed the six provisions of the ACA for the Insular Areas because they were destabilizing the health insurance markets in these jurisdictions since the balancing ACA provisions of individual and employer mandates, health insurance exchanges, federal premium subsidies, and the federal risk

mitigation program for health insurance companies (reinsurance, risk corridors, and risk adjustment) do not apply in the US Insular Areas.

Rather than creating a local law that would add back some of the recently removed ACA provisions that were destabilizing the health insurance market, it would be more productive if the Guam Legislature could focus on convincing the federal government to extend the balancing provisions of the ACA mentioned above to the US Insular Areas so that the entire ACA could be implemented on Guam.

Regarding the Prohibition of Rescissions, Guam residents are already provided the protection of Guaranteed Renewability under PHS Act section 2703, which was not rescinded by HHS, so there would not be a need to duplicate this requirement with a local law.

MOVING FORWARD

We respectfully request that you refer this proposed legislation back to committee and work with the healthcare industry on a more global view of our island's healthcare needs.

We appreciate your efforts to provide benefits to the consumers, but we ask that the market forces determine the need rather than mandating unfunded benefits.

Should have questions concerning our testimony, please do not hesitate to contact me.

Regards,

Francis E. Santos

424 West O'Brien Drive
Julale Center, Suite #200
Hagatna, Guam 96910
Telephone: 671-472-3610
Facsimile: 671-472-3615
www.netcarelifeandhealth.com

October 15, 2014

The Honorable Dennis Rodriguez. Jr.
Chairman, Committee on Health & Human Services,
Health Insurance Reform, Economic Development
And Senior Citizens
I Mina'trentai Dos Na Liheslaturan Guahan
176 Serenu Avenue, Suite 107
Tamuning, Guam 96931

RE: Bill 402 – 32(COR)

Dear Mr. Chairman and Members of the Committee:

Thank you for the invitation and opportunity to submit written testimony on Bill 402-32... While I appreciate the intent of the proposed legislation, I am submitting testimony expressing concerns and therefore our opposition to the proposed bill for the following reasons:

1. Although, NetCare currently provides coverage for blood products and derivatives to some national account groups as well as the Government of Guam and Judiciary of Guam accounts, this benefit mandate and any other benefit mandate for that matter should be market driven and not be mandated by either federal or local laws. This creates the unintended consequences of unnecessarily raising premiums for employers and employees who are ultimately the buyers of health care services and should have a choice whether they want a certain product or coverage and not be mandated by law to provide such coverage.

2. The proposed legislation also includes a Guaranteed Availability provision that prohibits the placing of pre-existing condition exclusions for either individuals or group coverage. This provision is very bothersome and contradicts the recent waiver or exemption that was granted by the U.S. Department of Health and Human Services to Guam on certain provisions of the Affordable Care Act (ACA) which included the waiver of the Guaranteed Issue requirement.

   Under ACA, the federal government imposed an individual and employer mandate to purchase health insurance in order to avoid and minimize a phenomenon known to economists as "adverse selection." The implication of this feature is that, absent a requirement to buy health insurance, an individual can simply wait until he or she is sick to buy a policy, and then dropping the policy when healthy. Insurance companies clearly

cannot survive financially in such an environment. This makes it clear why ACA seeks to force people to buy health insurance. Bill 402 should be no different and should require all individuals and employers on Guam to purchase health insurance in order to support the intent of the Guaranteed Availability provision.

There are states where guaranteed issue has been imposed. Two of these states include Massachusetts and Maine where health insurance premiums are the highest in the nation. Thus it is reasonable to expect that in any state or territory where guaranteed issue does not exist, the imposition of the requirement will drive up insurance policy prices to unaffordable levels.

Summary of Concerns

- The proposal will create unintended consequences and not achieve the expected goal of making health insurance more affordable, desirable and the ability to create innovative product offerings based on market forces.

- The proposal does not provide any premium subsidies or mandate to require employers and individuals to purchase insurance coverage in order to support the benefit mandate and/or Guaranteed Availability provision of the proposed legislation.

Let me emphasize that we all share a common goal. We want to get everyone covered with adequate health insurance coverage, improve the quality of health outcomes and get better value for each dollar spent on care – with the goal of reducing cost and improving affordability for all buyers of health care.

Our local health insurance industry, albeit small and highly competitive have a lot to offer to make the health care system work better. We want to work with all parties and stakeholders involved to craft Guam's comprehensive and unique health care reform effort as opposed to piece meal legislation such as Bill 402. We hope you will assume our positive intent.

Thank you for the opportunity to share my thoughts and concerns and we look forward to a constructive discussion.

Sincerely,

Jerry Crisostomo
Plan Administrator/COO

MAIR & MAIR
ATTORNEYS-AT-LAW
238 A.F.C. FLORES STREET
SUITE 801
HAGÅTÑA, GUAM 96910

DAVID A. MAIR
DMair@mmstlaw.com

JUNE S. MAIR
JMair@mmstlaw.com

TELEPHONE (671) 472-2090

October 15, 2014

VIA EMAIL: Senatordrodriguez@gmail.com

Senator Dennis G. Rodriguez, Jr.
32ND GUAM LEGISLATURE
176 Serenu Avenue, Suite 107
Tamuning, Guam 96931

Re: Testimony in Opposition to Bill 402-32

Dear Senator Rodriguez:

I am the attorney for TakeCare Insurance Company, Inc., a Guam domestic health insurance company. This letter is in opposition to passage of Bill No. 402-32, unless it is revised to include the requisite mandates for the purchase of insurance. Enacting Bill No. 402-32 in its current form would not be in the best interests of Guam consumers, GMH or the local health insurance industry.

INTRODUCTION

As enacted the Patient Protection Affordable Care Act (the "ACA") does not apply to Guam in the same manner as in the states, although it was initially interpreted to include most mandated market reforms for Guam. However, most notably missing from application in Guam and the other territories were the individual and employer mandates for insurance coverage ("the mandate"), requiring individuals to purchase minimum health coverage to offset the cost of implementing the market reforms. In fact, as applied in Guam without the mandates, the ACA actually encourages individuals *not* to obtain health insurance until they became sick, which was in direct conflict with its intended purpose to cover as many persons as possible. Consequently, health insurance premiums have gone up considerably for those that do purchase health insurance.

In the years after the passage of the ACA, the Department of Health & Human Services ("HHS") has reviewed various market reforms under the ACA and the negative effect these reforms have had on Guam and the other territories' health insurance markets. As a result of the HHS review of market reforms added as new provisions of the Public Health Service Act ("PHSA") as added under the ACA, HHS determined that some of the new provisions of the PHSA which are applicable to "states" do not apply to the territories.

Consequently, Guam and the other territories are exempt from various market reforms under the ACA.

Bill No. 402-32 seeks to impose several market reforms on Guam health insurers which are otherwise not applicable to Guam under the HHS interpretation of the ACA. However, Bill No. 402-32 does not balance the inclusion of these select market reforms by also including the mandate. Enacting Bill No. 402-32 into law without the inclusion of the mandate would reverse the decision of HHS. Moreover, enacting Bill No. 402-32 without the mandates, will cause great harm to Guam consumers, Guam Memorial Hospital and the local health insurance industry.

DISCUSSION

I. PURPOSE OF THE ACA

On March 23, 2010, President Obama signed the ACA into law. The ACA made extensive changes to the health care system of the United States. The ACA's health care market reforms are primarily focused on reducing the uninsured population and decreasing health care costs. Since the passage of the ACA officials of the Government of Guam have sought to determine what provisions of the ACA are applicable in Guam. By way of illustration, the Government of Guam has determined that neither the individual or employer mandates under the ACA are applicable in Guam. Also, federal tax credits and subsidies are not available in Guam to assist individuals buy insurance. Consequently, Guam has determined that it could not afford to establish an exchange.

"In the Affordable Care Act, Congress addressed the problem of those who cannot obtain insurance coverage because of preexisting conditions or other health insurers"[1] However, these market reforms provided "an incentive for individuals to delay purchasing health insurance until they become sick, relying on the promise of guaranteed and affordable coverage."[2] The "reforms also threaten to impose massive new costs on insurers, who are required to accept unhealthy individuals but prohibited from charging them rates necessary to pay for their coverage."[3] "Congress's solution to these problems" was to require that "individuals purchase health insurance."[4] Simply put, Congress and the United States Supreme Court recognized that the ACA would destabilize the health insurance industry if there was no "mandate" requiring that individuals purchase insurance.

Prior to HHS's interpretation exempting Guam from implementing the PHSA market reforms, all of Guam's domestic health insurers repeatedly informed HHS, the Governor and the Legislature that the impact of the imposition of the ACA's market

reforms in the Guam market without the mandates could be devastating to the industry. Not surprisingly, the National Association of Insurance Commissioner likewise warned HHS of the impact the market reforms without the mandates would have on the territories. Consequently, the point made by the United States Supreme Court has already been illustrated in Guam: that the imposition of the market reforms without the balancing effect of the mandates may destabilize the health insurance industry.

II. THE MANDATE IS THE "KEY PROVISION" OF THE ACA

A "key provision (of the Affordable Care Act) was the individual mandate, which required most American's to maintain 'minimum essential' health insurance coverage."[5] "[T]he mandate forces into the insurance risk pool more healthy individuals" and "allows insurers to subsidize the cost of covering the unhealthy individuals the reforms require them to accept."[6] It was used to spread the risk among many insurers. However, the mandate was only effective if it can be enforced. Under the ACA, it was enforced through penalties imposed against employers and uninsured individuals.

Bill 402-32 conspicuously excludes either an individual or employer mandate. Without the mandate, any health insurance scheme for Guam which imposes the ACA's market reforms (or any expensive or expansive health insurance benefits) will cause insurance premiums to rise, and will ultimately destabilize the Guam insurance market.

III. ADVERSE IMPACT OF ACA ON GMH

As noted above by the United State Supreme Court, without the requirement that individuals and employers obtain the required insurance coverage, the ACA operates as "an incentive for individuals to delay purchasing health insurance" until they are sick. This is exactly the situation Bill No. 402-32 will create in Guam. Bill No. 402-32 seeks to impose market reforms on Guam health insurers without the requirement that individuals purchase health insurance. Because the market reforms required by Bill No. 402-32 will cause insurance premiums to rise, many will forgo purchasing health insurance and join the ranks of the uninsured. When the uninsured individuals become sick or injured, they will seek primary care at GMH, which would in turn bear a large percentage of the expense of such treatment.

CONCLUSION

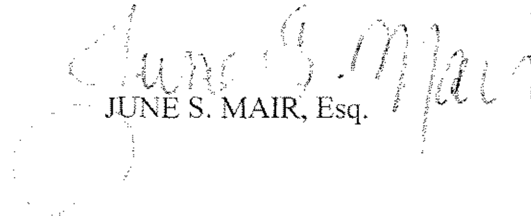
The ACA (and the new provisions of the PHSA) as initially interpreted for Guam were doing more harm than good. Thus, the HHS's reinterpretation of the new provisions

of the PHSA, exempting the territories was welcome. The HHS exemption not only will work to keep health insurance premiums affordable for consumers and avoid destabilizing the Guam health insurance industry, but it will also protect GMH from having to bear the expense of an increased number of uninsured patients.

Enacting Bill No. 402-32 without the mandate to purchase insurance is not in the best interests of Guam consumers, health insurers or GMH. The harm it will cause (more uninsured individuals and higher premiums for those with insurance) is the precise harm the ACA was intended to alleviate.

If you have any questions regarding this request, you may contact me by email at jmair@mmstlaw.com, or by telephone at (671) 472-2090.

Sincerely,



JUNE S. MAIR, Esq.

cc: TakeCare Representatives

L14007.JSM

[1] National Federation of Independent Business vs. Sebelius, 567 U.S. __, 132 S.Ct. 2566 (2012); June 28, 2012, Slip Opinion, at 1.

[2] *Id.* at 16 (Emphasis added).

[3] *Id.* at 17.

[4] *Id.* at 17.

[5] *Id.* at 1.

[6] *Id.* at 17.

115 Chalan Santo Papa Hagåtña • P.O. Box FJ Hagåtña, Guam 96932 • Phone: (671) 477-9808 • Fax: (671) 477-414

October 15, 2015

The Honorable Dennis Rodriguez. Jr.
Chairman, Committee on Health & Human Services,
Health Insurance Reform, Economic Development
And Senior Citizens
I Mina'trentai Dos Na Liheslaturan Guahan
176 Serenu Avenue, Suite 107
Tamuning, Guam 96931

HAND DELIVERED

RE: Bill 402 - 32(COR)

Dear Senator Rodriguez and Members of the Committee:

Thank you for the invitation to submit written testimony on Bill 402-32. We appreciate some of the objectives of the proposed legislation; however, we must oppose it for the following reasons:

1. Our programs extend coverage for blood and blood derivatives to the Government of Guam group, some of our commercial groups and, in some circumstances, the federal employees program. However, this benefit is priced and negotiated accordingly, and both employers and employees share on the cost for obtaining the benefit. Coverage and benefits should be market driven rather than mandated by either federal or local laws, and allow people to choose as to whether they want a certain product or benefit rather than mandating it.

2. The proposed bill also includes a Guaranteed Availability provision that prohibits the placing of pre-existing condition exclusions for either individuals or group coverage. This provision is very troublesome and contradicts the recent waiver issued by the U.S. Department of Health and Human Services (HHS) to Guam on certain provisions of the Affordable Care Act (ACA), including the waiver of the Guaranteed Issue requirement.

   As you may know, the National Association of Insurance Commissioners (NAIC), which includes all the insurance regulators in the United States and Territories, concluded that "Market Reforms without the Mandates and Sufficient Subsidies Could Destabilize Markets without Intervention". The ACA imposed the individual and employer mandates to purchase health insurance in order to elude and mitigate the possibility of adverse selection. The implication of the proposed bill is that an individual may simply wait until he/she is sick to buy a policy, and then drop it when healthy.

The Honorable Dennis Rodriguez, Jr.
October 15, 2014
Page Two

The NAIC studied and identified "Adverse Selection" as a clear and present danger to the territories health insurers (copy of the report is herein attached), and petitioned both the White House and (HHS) to grant waivers to the territories health insurers to avoid the risk of adverse selection and the inevitable escalation of insurance rates. Bill 402-32 will create the same unintended consequences, will place a huge burden on the industry, and will result in rate increases to Guam consumers. The pre-existing requirement may be still applicable to the territory and we are awaiting the issuance of the final regulations on what applies and what does not according to the waiver issued.

It is quite unusual for policy makers to ignore the recommendations made by the NAIC, especially since this regulatory body spent a significant amount of time and money studying the issue. The NAIC's conclusions and recommendations are sound, backed by economic studies, and rely on evidence based statistical data. In addition, it is quite evident that by issuing waivers on the Guaranteed Availability provision and the pre-existing condition exclusions, both the White House and HHS agreed with the NAIC concerns. The 32nd Guam Legislature issued a resolution that supported getting waivers from the ACA, and Bill 402-32 contradicts the resolution and the waivers issued. We hope that the Guam Legislature takes into consideration the in-depth NAIC study and avoids creating a problem for the island.

Bill 402-3 creates unintended consequences and does not achieve the goal of making health insurance affordable nor does it provide the opportunities for innovative product offerings based on market forces. The bill also does not provide premium subsidies or a mandate for employers and individuals to purchase insurance to mitigate adverse selection or support the mandate.

Regarding recessions, we do not believe that this is occurring on Guam, and the bill may not be necessary. However, this part too should be included as part of a comprehensive plan or reform that benefits our island. We should work on getting a greater number of individuals covered by health insurance and include all stakeholders to craft a comprehensive health care reform, as opposed to a piece meal approach.

In conclusion, we oppose the proposed bill and we urge the committee to withhold its passage. We thank you for the opportunity to testify, and please let us know of any clarifications that you may need regarding our testimony.

Respectfully,

Frank J. Campillo
Health Plan Administrator

Cc: Committee Members

Enclosure: NAIC report as adapted by the Health Insurance and managed Care (b) Committee.

Adopted by the Health Insurance and Managed Care (B) Committee, October 7, 2013

Implementation of the Affordable Care Act in the U.S. Territories

Market Reforms without Individual Mandate, Sufficient Subsidies Could Destabilize Markets without Intervention

Executive Summary

While most of the focus in implementing the Affordable Care Act (ACA) has been on the costs and benefits that will accrue to residents of the 50 states and the District of Columbia, significant questions remain about how implementation of the ACA will affect consumers and insurance markets in the U.S. territories of American Samoa, Guam, the Northern Mariana Islands, Puerto Rico and the U.S. Virgin Islands. Though the statute itself is unclear, the U.S. Department of Health and Human Services (HHS) has determined that the ACA's market reforms will apply to health insurance coverage sold in the territories, while the individual and employer mandates will not. If a territory elects to implement health insurance exchanges, they will receive a limited allotment of subsidy funding that only covers a fraction of needed funds. As a result, the threat of adverse selection driving up premiums is much higher than it is in the states. HHS could help alleviate this threat by reconsidering its determination that the market reforms apply to the territories or by phasing these reforms in over a period of several years. Congress could also address this problem by either clarifying that the reforms do not apply in the territories or by equalizing the treatment of the territories by applying the individual and employer mandates to the territories and providing sufficient subsidy funds. The territories may also address the issue themselves by adopting the mandate at a territorial level and funding subsidies themselves. This option will be politically difficult, however, and could strain the territories' resources.

Legal Treatment of the Territories under the ACA

The ACA is built upon a framework that has been compared to a three-legged stool. Market reforms, which include guaranteed issue, adjusted community rating, prohibitions on preexisting condition exclusions and other consumer protections, are intended to address problems that have been identified in the individual insurance market. In order for these provisions to work without driving up premiums, however, one must ensure that people do not wait until they become sick to purchase insurance. To achieve this goal, U.S. Congress included a requirement that most individuals obtain health coverage or pay a tax-penalty (the "individual mandate") and that larger employers provide coverage to their employees or pay a tax penalty (the "employer mandate"). In addition, the statute provided for open and special enrollment periods for coverage in the exchange, which HHS later extended to coverage sold outside the exchange. The third leg of the stool provides premium and cost-sharing subsidies to help low- and middle-income individuals afford coverage. In the territories, two legs of this stool will be weakened, as the individual and employer mandates will not apply, and the funds available for

© 2013 National Association of Insurance Commissioners

subsidies will not be sufficient to cover all eligible individuals. As a result, the risk of adverse selection in the territories will be significantly higher than it is in the states.

Market Reforms

A great deal of confusion has arisen over the applicability of the ACA's market reforms in the territories. This confusion stems from two conflicting definitions of the term "state." Because health insurance is defined in federal law as being offered "in a *state*" and being "subject to *state* law which regulates insurance," whether coverage sold in the territories is subject to the reforms in the ACA hinges upon whether territories are considered states.

Title I of the ACA, which includes the provisions applying to private health insurance, defines a "state" so as to exclude the territories:

> *In this Title, the term "State" means each of the 50 States and the District of Columbia.*[1]

Many of the most significant provisions in that title, however, take the form of amendments to the Public Health Service Act (PHSA), which itself defines the term "state" to include the territories:

> *The term "State" means each of the several States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.*[2]

How these conflicting definitions ought to be reconciled has been a subject of debate. Some have argued that the ACA's definition of a state ought to apply to all amendments in the statute, while others have argued that ACA amendments to the PHSA that use the term "state" ought to utilize the existing PHSA definition. The first option would exempt health insurance sold in the territories from many provisions of the law, such as guaranteed issue and adjusted community rating. The second would require coverage sold in the territories to meet all requirements of the ACA-amended PHSA. In response to an inquiry from the territories' Delegates to Congress, the Congressional Research Service (CRS) undertook an analysis of this issue. In its reply, the CRS advised the Delegates that "while it is possible that a court could find that, based on the definition in the PPACA, a 'state' for purposes of the new PHSA provisions excludes the territories, reasonable arguments could also be made that the definition of 'state' in PPACA would not apply to these new PHSA provisions."[3] The uncertainty caused by these two plausible interpretations of the interaction between the ACA and PHSA definitions required HHS to lay out its interpretation of how the market reforms added to the PHSA would apply to the territories, which will be discussed below.

Exchanges and Subsidies

In contrast, there is little debate regarding the application of Title I provisions that fall outside of the PHSA amendments. The ACA gives the territories the opportunity to establish exchanges, but does not require that they be established. If a territory does elect to establish an exchange, such an exchange must meet the same exchange establishment, consumer choice, and financial integrity standards contained in part 2 of the subtitle dealing with exchanges as the states. These provisions, by referencing qualified health plan standards and market reform provisions, would also apply those requirements to qualified health plans sold in exchanges

---

[1] ACA 1304(d)
[2] PHSA 2791(d)(14)
[3] Staman, Jennifer. Congressional Research Service Memo to Hon. Madeleine Bordallo, Hon. Pedro Pierluisi, and Hon. Gregorio Kilili Sablan, Washington, DC. April 19, 2010

established in the territories. The ACA also provides a pool of $1 billion, which may be expended over six years (2014-2019), to be split among the territories. These funds may be used to fund premium and cost-sharing subsidies for eligible individuals to enroll in qualified health plans through an exchange. In territories whose tax code mirrors the federal Internal Revenue Code, these subsidies must conform to the requirements outlined in the ACA and subsequent regulations. In territories with non-mirrored tax codes, they may determine the best way to distribute the subsidies among individuals purchasing qualified health plans on their exchanges. In either case, however, there may not be an eligibility gap between the territory's Medicaid program and subsidized coverage on the exchange.

If the territory elects not to establish an exchange these funds may be used to fund the territory's Medicaid program.[4] Certain other exchange-related provisions, such as those creating Consumer Operated and Oriented Plans (CO-Ops), the Basic Health Plan program, and the Multi-State Plan (MSP) program will not apply to the territories because they fall outside of part 2 of the exchanges subtitle. In addition, the territories were not eligible to participate in the Preexisting Condition Health Insurance Plan (PCHIP), which provided coverage to individuals with preexisting conditions in the states beginning shortly after enactment of the ACA.

Risk Mitigation Provisions

The ACA contains a number of provisions designed to mitigate the risk of adverse selection that is likely to accompany the implementation of market reforms, such as guaranteed issue and adjusted community rating, that require greater pooling of risk. These provisions include the individual and employer mandates, a transitional reinsurance program, a temporary risk corridor program, and a risk adjustment mechanism. Individuals residing in the territories are specifically exempted from the individual mandate[5]. The employer mandate would also not apply in the territories.

The reinsurance and risk adjustment programs also do not appear in part 2 of the exchanges subtitle, and would therefore not be required of territories. However, because the risk corridors program does not reference states, but applies directly to qualified health plans that are sold on exchanges, it would apply in the territories that elect to establish exchanges, even though it also appears outside of part 2.

HHS Interpretation

In a series of three letters to the territorial Governors, HHS Secretary Kathleen Sebelius and Center for Consumer Information and Insurance Oversight Director Gary Cohen clarified HHS' interpretation of how the territories would be treated under the ACA[6]. In those letters, they informed the territories that HHS had decided to apply all of the provisions in the ACA that amend the PHSA to health insurance sold in the territories, including guaranteed issue, adjusted community rating, prohibitions on pre-existing condition exclusions, and other market reforms. The December 2012 letter also provided the allocations for the funding appropriated under section 1323 of the ACA, to be used for QHP subsidies or for a territory's Medicaid program. These amounts are listed in Table 1 below.

---

[4] ACA 1323(a)

[5] IRC 5000A(f)(4), as added by ACA 1501(b).

[6] Sebelius, Kathleen. Letter to Territorial Governors. July 29, 2010.
Sebelius, Kathleen. Letter to Territorial Governors. December 10, 2012.
Cohen, Gary. Letter to Territorial Governors. July 12, 2013.

Table 1: ACA Funding for Territories

Territory	Allocation
Puerto Rico	$925 million
Virgin Islands	$25 million
Guam	$24 million
American Samoa	$17 million
Northern Mariana Islands	$9 million

In addition, the letter clarified that if a territory established an exchange, it could also establish reinsurance and risk corridor programs, meeting all requirements for these programs set by HHS, though the federal government would not step in to establish and operate them if the territory did not. Unfortunately, the HHS Secretary's letter provided the territories with less than three months to determine whether they would implement either of these programs, setting a deadline of March 1 for them to notify HHS of their intent to do so. This was several months prior to the Oct. 1, 2013 deadline to notify HHS if the territories would implement an Exchange. The letter did note, however, that territories retain the authority to establish their own reinsurance and risk adjustment programs, under territorial law. These territorial reinsurance and risk adjustment programs would not be required to meet federal requirements.

Current Market Conditions in the Territories

Most of the territories today have uninsurance rates that are significantly higher than those in the states. (See Table 2, below) The lone exception is Puerto Rico, which has covered many of its residents under a territorial coverage program called *Mi Salud* (see p. 6). The remaining four territories have rates of uninsurance that are 15-44 points higher than the U.S. average. While Guam and the U.S. Virgin Islands have a roughly comparable percentage of their populations enrolled in private coverage as the states, the other territories have significantly lower rates of private coverage. In American Samoa today, just 11% of the population has private health insurance coverage, including individual, small group, large group, and self-insured group coverage.

Table 2: Sources of Coverage

	American Samoa	CNMI	Guam	Puerto Rico	USVI	*US Average*
Private only	**11.0%**	**31.1%**	**49.1%**	**34.7%**	**45.9%**	***54.8%***
Public only	23.7%	32.1%	22.4%	51.6%	14.7%	*18.7%*
Private & public	6.1%	3.2%	7.4%	6.1%	8.6%	*11.0%*
Uninsured	**59.2%**	**33.7%**	**21.1%**	**7.6%**	**30.8%**	***15.5%***

Source: U.S. Census Bureau, 2010 Demographic Profile Data

Number of insurers in the market

The number of insurers selling coverage in most of the territories is somewhat limited, due to their remote locations and limited populations. Businesses of most of the territories have a handful of insurers to choose from when seeking to purchase a health insurance policy for employees. In the individual market, however, most territories have only a single carrier actively marketing policies to residents.

Table 3: Number of Insurers Selling Grandfathered and Non-Grandfathered Coverage

	CNMI		Guam		Puerto Rico		USVI	
	GF	Non-GF	GF	Non-GF	GF	Non-GF	GF	Non-GF
Individual	0	1	1	1	4	6	4	0
Small Group	1	3	2	4	7	8	2	1
Large Group	1	3	3	4	8	9	1	1

*GF: Issuers maintaining grandfathered health plans

**Non-GF: Issuers selling or maintaining non-grandfathered health plans

Since the immediate market reforms went into place in 2010, however, residents of the U.S. Virgin Islands have been unable to purchase individual market coverage since the last insurer ceased selling new policies. In response to a survey of insurers conducted by Guam and the U.S. Virgin Islands, several insurers still selling new coverage indicated their intent to cease doing so without an individual and employer mandates in place to mitigate the risk of adverse selection.

Territorial Responses to the ACA

The five territories, spread across the globe, have very different health insurance markets and as a result have responded to passage of the ACA in different ways.

American Samoa

In March 2012, then Governor Togiola Tulafono informed HHS that, after evaluating the current territory's existing healthcare system in the Territory, his administration had concluded that establishing a health insurance exchange would not be appropriate at this time. Instead, Governor Tulafono elected to use American Samoa's allocation of funding for a Medicaid expansion.

Since that letter, American Samoa held gubernatorial elections, and the new governor, Lolo Matalasi Moliga has decided to reconsider the decision not to establish an exchange. No final determination has been made as to whether an exchange will be established in American Samoa.

Commonwealth of the Northern Mariana Islands (CNMI)

The passage of the ACA came at a time of tremendous fiscal stress in the Commonwealth of the Northern Mariana Islands (CNMI). The passage and subsequent planning for the ACA coincided with CNMI government austerity measures which impacted the CNMI's Division of Insurance's ability to adequately train and prepare for the full implementation of the ACA. Given the restricted resources and expertise in the jurisdiction's remote location, the CNMI has been relying heavily on federal guidance and national organizations, including the National Association of Insurance Commissioners (NAIC) and the National Governors Association (NGA). While the CNMI was not fully prepared to decide on the establishment of a Health Insurance Exchange, it did apply for and receive both the rate review grant and the Consumer Assistance Program grant.

Rate review grant funds were used by the CNMI to establish an effective rate review program. The CNMI will put legislation in place which mandates insurance carriers to submit forms and rates to this new program. Prior to the establishment of this program, the CNMI Department of Insurance had very little regulatory control over health insurance rate increases and policy forms. Additionally, the CNMI used its Consumer Assistance Program grant award to open a health care consumer advocacy program, the first of its kind in the CNMI.

Because the CNMI's existing insurance regulatory and statutory environment requires significant changes to ensure full adherence to the ACA, the CNMI Office of the Insurance Commissioner has begun the process of introducing appropriate draft statutes for introduction into the CNMI Legislature. As such, the CNMI has aggressively leveraged resources to ensure full comprehension of the policy infrastructure that is required for market reform and consumer protection measures afforded by the ACA. The largest area of concern is the impact that the ACA will have on the public option and the trickle-down effect that expanded coverage and eligibility requirements will have on the small group and individual marketplaces in the CNMI.

Guam

Upon enactment of the ACA, Guam fully implemented the law's immediate market reforms that took effect prior to 2014 and required all health insurance contracts and policy forms to be in compliance with them prior to approval by the Commissioner. The territory also took the steps needed to ensure that it had an effective rate review program in place. Any requests for rate increase filings by health plan issuers are reviewed and all requests for 10% or more above over current rates will receive additional review by contracted actuaries.

The Department of Revenue and Taxation, which oversees the insurance industry in Guam, has looked into the feasibility and sustainability of establishing an exchange in the territory. Based on 2010 Census data, the study included an estimate of Advance Premium Tax Credit eligibility and subsidy levels in Guam. It was estimated that a yearly subsidy of $74 million for APTC will be needed to implement an exchange, far in excess of the $24 million, six-year, allocation that Guam is slated to receive under the ACA. At this time Guam has not yet made a final decision to opt in or opt out of establishing a state-based exchange.

Puerto Rico

Puerto Rico was probably in the best position to respond to the ACA. Due to a locally funded health coverage program, known as *Mi Salud,* providing coverage for approximately 1.4 million individuals whose incomes exceeded the threshold for eligibility in its Medicaid program, Puerto Rico had an uninsured rate of 7.6% in 2010, well below that of most states. The lower level of uninsured residents in Puerto Rico could reduce the risk of adverse selection as the level of pent-up demand in the population from delayed medical care will likely be lower.

In July 2013, the Legislative Assembly adopted legislation amending Puerto Rico's Health Insurance Code to give its Insurance Department authority to enforce the ACA's market reforms and providing for the guaranteed issue and open and special enrollment periods for individual plans.

U.S. Virgin Islands

Following passage of the ACA, the U.S. Virgin Islands (U.S.V.I.) created a 14-member Health Reform Implementation Task Force (Task Force) to provide guidance and recommendations to Governor de Jongh regarding initiatives to implement health reform and to improve quality and access health care. The Task Force sought and received funding from HHS to undertake a study to examine the feasibility of establishing a health insurance exchange, to conduct an analysis of its private health insurance market, and to identify gaps in information technology systems that will be needed to support ACA implementation activities. The Task Force concluded that "the disjointed application of the [ACA]'s provisions to the territories and its insufficient allocation of federal funds significantly limits the U.S.V.I.'s opportunity to expand health care coverage to U.S.V.I uninsured residents through the ACA." It therefore recommended that the governor utilize the funding provided under the law to expand Medicaid instead of establishing an Exchange.

In response to the implementation of the ACA's immediate reforms (prohibitions on lifetime limits, restrictions on annual limits, prohibitions on preexisting condition exclusions for children, etc.) the sole insurer providing coverage in the U.S.V.I.'s individual insurance market ceased issuing new policies in the territory, leaving residents of the territory unable to purchase individual health insurance for any price. The lack of insurers actively marketing coverage in the individual market will make an exchange impossible to establish in the U.S.V.I. unless new insurers enter the market, and leaves a large gap in coverage in the territory.

Likely Effects of Full Implementation of Market Reforms in the Territories

The market reforms that the ACA adds to the PHSA, such as guaranteed-issue, adjusted community rating, and the prohibition on preexisting condition exclusions, restrict or eliminate the ability of insurers to engage in practices that exclude individuals with health care conditions from risk pools or to charge them more for coverage. While these practices have made it impossible or very expensive for many individuals to purchase coverage, they have also kept premiums low for the young and those in good health. When premiums for these individuals rise, they are more likely than those with serious health conditions to forego coverage, causing the experience of risk pools to deteriorate over time. As one would expect, states that have eliminated medical underwriting and health status rating in the past have seen large increases in premiums, reductions in the number of insurers participating in their markets, and reductions in the number of people able to afford coverage.

In order to avoid these unintended consequences, the ACA put in place numerous provisions that encourage the young and healthy to remain in the marketplace and to maintain the health of the risk pools. These provisions include the individual mandate, generous subsidies for low-and middle-income individuals purchasing coverage through exchanges, transitional reinsurance and risk corridor programs, and a permanent risk adjustment program and are critically important to the success of the ACA's efforts to extend coverage to millions of Americans.

The critical importance of the individual mandate, in particular, was a key part of the administration's argument before the U.S. Supreme Court that the individual mandate was an appropriate exercise of Congress' powers under the Constitution's commerce clause:

> *Congress found that the minimum coverage provision was "essential" to the success of the measures it adopted to end insurance discrimination against those with pre-existing conditions. Those insurance reforms are unquestionably within Congress's powers under the Commerce Clause. The soundness of Congress's judgment about what was required for its insurance reforms to succeed is supported by the experience of States that tried—and failed—to effectively end such practices without an insurance requirement. Indeed, no party to this case has suggested that the guaranteed-issue and community-rating requirements could function effectively without the minimum coverage provision.*[7]

In fact, individual market premiums in New York state, one of the states hardest hit by adverse selection that accompanied the kinds of reforms in the ACA, are expected to decrease by as much as 50% when the individual mandate and subsidies take effect in 2014.[8]

---

[7] HHS v. Florida, Petition for Writ of Certiorari at 24

[8] Rabin, R.C. and Abelson, R. "Health Plan Costs for New Yorkers to Fall 50%" 16 July, 2013. *The New York Times*, Web. 19 August, 2013

While these provisions will help mitigate adverse selection in the states, none of them are likely to be implemented in the territories, leaving their markets vulnerable. As was noted above, the individual and employer mandates do not apply in the territories, and while the territories may establish Exchanges and use their funding allocation provided under section 1323 of the ACA to provide subsidies, funding levels are insufficient to meet the expected need. Over the six-year period for which funds have been appropriated, the U.S. V. I. has estimated that an exchange would provide $251.5 million in subsidies, more than ten times their allocation.[9] Guam has estimated that it will need $74.6 million to provide subsidies to its eligible population through an exchange in 2014 alone, more than three times its allocated funding for the entire six years from 2014-2019.

In addition to funding the majority of exchange subsidies themselves, the territories would also be required to cover the costs of developing and establishing an exchange out of their own funds, as the territories were not eligible for the $1 million planning grants that states used to fund their exchange planning and analysis activities. They were, however, eligible for level 1 exchange establishment grants. These grants funds, however, must be repaid if the territory does not establish an exchange.

Furthermore, while most states have elected to allow the federal government to operate the transitional reinsurance and risk adjustment programs on their behalf in 2014, the territories would have to operate these programs themselves, adding to the burden of establishing an exchange. As a result, many territories may be better served by using their allocated funds to provide coverage to additional residents through their Medicaid programs.

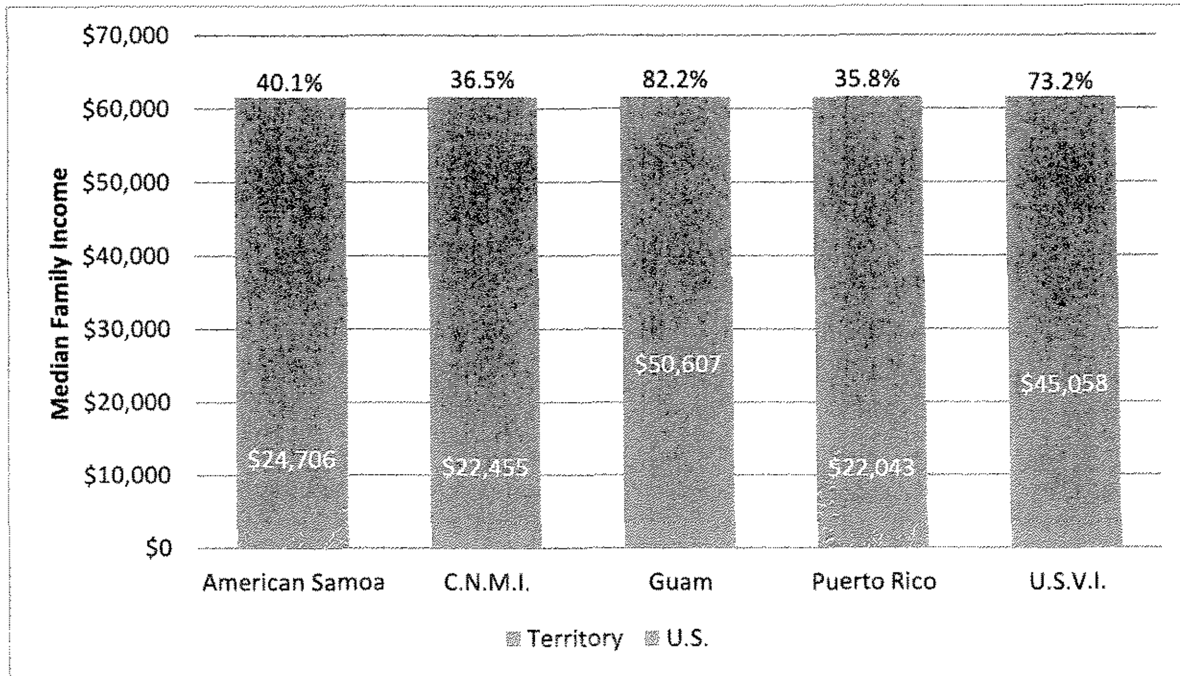
Implementing the market reforms without any of the mitigating provisions described above places individual and small group markets at severe risk for adverse selection that could undermine the intent of the ACA—making coverage more expensive for consumers who depend upon it. Compounding the risk of adverse selection that would be present in any of the states without the ACA's mitigating provisions are the lower incomes found in the territories. Recent work suggests that lower-income individuals have a significantly higher sensitivity to health insurance premiums than those with higher incomes.[10] Because median family incomes in the territories range from 36%-82% of the U.S. median family income, it is likely that territorial residents will be more likely to forego coverage as premiums increase than residents of the states.

---

[9] Milliman. "U.S. Virgin Islands Exchange Analysis" March 14, 2013. Accessed online <http://www.governordejongh.com/healthreform/assets/documents/2013/appendices-a-g.pdf>

[10] Kruger, Alan B. and Kuziemko, Ilyana. "CEPS Working Paper No. 217: The Demand for Health Insurance among Uninsured Americans: Results of a Survey Experiment and Implications for Policy" April, 2011. Accessed online < http://www.princeton.edu/ceps/workingpapers/217krueger.pdf>.

Figure 1: Territorial Incomes Compared to States



As adverse selection pushes premiums higher, insurance issuers currently serving the individual and small group markets are likely to withdraw, making coverage unavailable at any price. This has already occurred in the U.S. V.I., where both issuers selling coverage in the individual market stopped selling new coverage when it became clear that it would have to comply with the market reforms without the benefit of the individual mandate or subsidies to protect the market against adverse selection. As a result, consumers in the U.S. V.I.'s individual market will not benefit from the majority of the ACA's reforms, which apply to non-grandfathered policies, as there will be no coverage for the reforms to apply to. Without some action to prevent a cycle of adverse selection in the territories, implementation of the ACA's market reforms is likely to lead to a result that is the opposite of what the ACA intended—higher premiums, less competition, and more Americans without health insurance coverage.

Possible Actions to Mitigate Adverse Selection in the Territories

Reconsideration or Delay of PHSA Amendment Applicability

The first option at the administration's disposal would be a reconsideration of its determination that all of the ACA's market reforms will apply in the territories. As the previously discussed CRS memorandum noted, the interpretation that the ACA's PHSA amendments do not apply in the territories is a plausible one. Furthermore, it is the only interpretation that is consistent with the often-stated position taken by the ACA's congressional sponsors and the administration that these reforms are not possible without the individual mandate and the subsidies.

If the administration determines that a reconsideration of its position is not possible, a second option is a delay or phase-in of these provisions in the territories. This could be structured as a three-year delay of applicability for the guaranteed issue provision, followed by a phase-in of the ACA's rating rules over a five-year period. This sort of a phase-in would allow the markets to gradually adjust to the imposition of the market reforms and

would be consistent with other actions the administration has taken to delay the effective dates of provisions where immediate application would not be technically feasible, such as the employer mandate, exchange quality, and employee choice provisions.

U.S. Congressional Actions

Should the administration decide that it lacks the statutory authority to adopt either of these alternatives, it may be necessary for the U.S. Congress to provide relief for the territories. Both of the above remedies could also be accomplished by legislative means. In addition, the U.S. Congress could take other steps to ensure that implementation of the market reforms in the territories does not result in adverse selection by leveling the playing field between the states and territories. This could be accomplished by revising the ACA's definition of "state" to mirror the definition in the PHSA, thereby including the territories, and by revising section 1323 of the ACA, which provides the limited funding for territories to fund exchange subsidies or Medicaid programs, to provide a level of subsidies that will help prevent adverse selection. While this approach would require additional federal funding at a time of strained budgets, it would also realize the ACA's goal of expanded coverage and enhanced consumer protections, while limiting the potential for market disruption in a way that the current interpretation of the law does not.

Territorial Actions

Like the states, the territories have the ability to take over primary responsibility for enforcement of provisions of the ACA, including the market reforms that were added to the PHSA. This will allow them to more effectively tailor implementation to the needs of their consumers and marketplaces. One important option that the territories will have at their disposal to prevent adverse selection will be the creation of individual market open enrollment periods, whether or not they elect to establish exchanges. This option is specifically permitted by the final Market Rules regulations issued by HHS in February, 2013.[11] Puerto Rico has already adopted legislation establishing open enrollment periods for its individual market. This action will help control adverse selection and help mitigate exposure to unintended increases in premiums.

In the event that neither the U.S. Congress nor the Obama administration takes action to prevent adverse selection in territorial insurance markets, the territories themselves may need to step in to provide what stability they can to their insurance markets by adding the missing provisions of the ACA. These provisions include, most importantly, the individual mandate and exchanges with subsidies at a level that will be sufficient to ensure a balanced individual market risk pool that includes sufficient numbers of younger, healthier individuals to keep premiums from increasing dramatically. These provisions could be politically difficult, however, given the cost to the territories of funding subsidies and the divisiveness of the individual mandate in the states. Adding the level of needed exchange subsidies left unfunded by the ACA in the U.S.V.I. would add $226 million to a general fund budget of $617 million, an increase of 37%.

In addition to adding a mandate and subsidies at the territorial level, territories could also implement a territorial reinsurance program that would subsidize coverage for individuals in the individual market with higher than average health costs. That program, however, would have to be funded with assessments on insurers in the territories' individual, small group and large group markets. Similarly, territories with exchanges could establish a territorial risk adjustment program to equalize risk between carriers, which would make payments to carriers with higher than average risk funded by assessments on carriers with lower than average actuarial risk. However, these mechanisms to mitigate risk have the potential to impose significant

---

[11] 45 CFR 147.104(b)

administrative and data collection burdens, especially when some of the territories have neither the means of collecting this kind of data nor the trained personnel to administer these mechanisms. While the territories are working to be compliant with the new health care reform, the fragmentary extension of ACA provisions to the territories could result in the weakening of health insurance coverage in the territories and the industries that provide that coverage, thus undermining the original intent of the ACA.

COMMITTEE ON RULES

I Mina'trentai Dos na Liheslaturan Guåhan • The 32nd Guam Legislature

155 Hesler Place, Hagåtña, Guam 96910 • *www.guamlegislature.com*
E-mail: *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

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

November 6, 2014

Memorandum

To: **Rennae Meno**
Clerk of the Legislature

From: **Senator Rory J. Respicio**
Majority Leader & Rules Chair

Subject: **Fiscal Notes**

Hafa Adai!

Attached please find the fiscal notes for the bill numbers listed below. Please note that the fiscal notes are issued on the bills as introduced.

FISCAL NOTES:
Bill No. 402-32 (COR)
Bill No. 404-32(LS)
Bill No. 409-32(COR)
Bill No. 410-32(COR)
Bill No. 411-32(COR)

Please forward the same to MIS for posting on our website. Please contact our office should you have any questions regarding this matter.

Si Yu'os ma'åse'!

BUREAU OF BUDGET & MANAGEMENT RESEARCH

OFFICE OF THE GOVERNOR
Post Office Box 2950, Hagåtña Guam 96932

EDDIE BAZA CALVO
GOVERNOR

ANTHONY C. BLAZ
DIRECTOR

RAY TENORIO
LIEUTENANT GOVERNOR

JOSE C. CALVO
ACTING DEPUTY DIRECTOR

OCT 28 2014

Senator Rory J. Respicio
Chairperson, Committee on Rules
I Mina'trentai Dos na Liheslaturan Guåhan
The 32nd Guam Legislature
155 Hesler Place
Hagåtna, Guam 96932

Hafa Adai Senator Respicio:

Transmitted herewith is Fiscal Note on the following Bill Nos.: **402-32(COR), 404-32(LS), 409-32(COR) and 411-32(COR).**

If you have any question(s), please do not hesitate to call the office at 475-9412/9106.

ANTHONY C. BLAZ
Director

Enclosures

Bureau of Budget & Management Research
Fiscal Note of Bill No. 402-32 (COR)

AN ACT TO PROVIDE FOR THE COVERAGE OF BLOOD AND BLOOD DERIVATIVES BY HEALTH INSURANCE COMPANY OR HEALTH CARE PROVIDER CONTRACTED TO PROVIDE PRIVATE SECTOR SMALL OR LARGE GROUP HEALTH PLANS, BY ADDING A NEW§ 103123 TO CHAPTER 103, TITLE 11, GUAM CODE ANNOTATED.

Department/Agency Appropriation Information	
Dept./Agency Affected: Department of Revenue and Taxation	Dept./Agency Head: John P. Camacho
Department's General Fund (GF) appropriation(s) to date:	9,052,847
Department's Other Fund (Specify) appropriation(s) to date: Tax Collection Enhancement Fund ($864,487) / Better Public Service Fund ($1,829,515)	2,694,002
Total Department/Agency Appropriation(s) to date:	$11,746,849

Fund Source Information of Proposed Appropriation	General Fund:	(Specify Special Fund):	Total:
FY 2014 Unreserved Fund Balance		$0	$0
FY 2015 Adopted Revenues	$0	$0	$0
FY 2015 Appro. (P.L. 32-181)	$0	$0	$0
Sub-total:	$0	$0	$0
Less appropriation in Bill	$0	$0	$0
Total:	$0	$0	$0

Estimated Fiscal Impact of Bill

	One Full Fiscal Year	For Remainder of FY 2015 (if applicable)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund	$0	$0	$0	$0	$0	$0
(Specify Special Fund)	$0	$0	$0	$0	$0	$0
Total	$0	$0	$0	$0	$0	$0

1. Does the bill contain "revenue generating" provisions? /x/ Yes / / No
   If Yes, see attachment
2. Is amount appropriated adequate to fund the intent of the appropriation? /x/ N/A / / Yes / / No
   If no, what is the additional amount required? $ ______ /x/ N/A
3. Does the Bill establish a new program/agency? / / Yes /x/ No
   If yes, will the program duplicate existing programs/agencies? /x/ N/A / / Yes / / No
   Is there a federal mandate to establish the program/agency? / / Yes /x/ No
4. Will the enactment of this Bill require new physical facilities? / / Yes /x/ No
5. Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: /x/ Yes / / No
   /x/ Requested agency comments not received by due date / / Other:

Analyst: ______ Date: 10/7/14 Director: ______ Date: OCT 23 2014
Anthony C. Blaz, Director

Footnotes: According to on-line data from the Internal Revenue Service, the average premium cost for family coverage between 51 states in a small group market is $12,861 annually. A total of 75,435 individuals were reflected as having private health insurance coverage in 2010 according to the Bureau of Statistics and Plans (2012 Statistical Year Book). Assuming a 5% increase to premiums, the government may experience approximately $970K annually in business privilege taxes (reference attachment).

Bureau of Budget & Management Research
Attachment to Fiscal Note No. 402-32 (COR)

STATE	SINGLE (EMPLOYEE-ONLY) COVERAGE	FAMILY COVERAGE
Alabama	$5,084	$12,727
Alaska	7,321	15,774
Arizona	4,864	11,864
Arkansas	4,460	10,244
California	4,999	12,161
Colorado	5,308	13,014
Connecticut	5,955	15,273
Delaware	6,272	14,354
District of Columbia	6,017	15,140
Florida	5,462	13,013
Georgia	5,481	12,206
Hawaii	4,938	12,270
Idaho	4,690	10,427
Illinois	5,760	14,125
Indiana	5,414	12,386
Iowa	4,818	11,531
Kansas	4,959	12,163
Kentucky	4,660	11,387
Louisiana	5,300	12,446
Maine	5,413	12,837
Maryland	5,289	13,188
Massachusetts	6,110	16,269
Michigan	5,334	12,936
Minnesota	5,360	13,589
Mississippi	4,997	11,667
Missouri	5,089	11,975
Montana	5,148	11,197
Nebraska	5,325	12,511
Nevada	5,028	11,793
New Hampshire	6,030	15,026
New Jersey	6,063	14,470
New Mexico	5,527	12,909
New York	5,849	14,688
North Carolina	5,352	12,251
North Dakota	4,806	11,939
Ohio	4,987	12,143
Oklahoma	5,042	11,836
Oregon	5,130	12,197
Pennsylvania	5,400	13,357
Rhode Island	6,151	14,959
South Carolina	5,244	12,243
South Dakota	5,037	12,136
Tennessee	5,113	11,520
Texas	5,222	12,803
Utah	4,744	12,072
Vermont	5,678	13,099
Virginia	5,263	12,884
Washington	4,904	11,703
West Virginia	5,679	13,112
Wisconsin	5,575	14,387

	FAMILY COVERAGE	EMPLOYER COVERS 50%
State Average	12,861	6,430
Additional Coverage @ 5% increase (blood/blood derivatives)	13,504	6,752
# Individuls with Private Health Insurance Coverage	75,435	
Total Premium before blood coverage	485,068,497	
Total Premium after blood coverage	509,321,922	
Variance	24,253,425	
Business Privilege Tax (GRT 4%)	970,137	

Table 22-08 Household Income for Years Prior to Decennial Year by Comparative Census Years, Guam: 1980, 1990, 2000 and 2010

Characteristic	2010	2000	1990	1980
INCOME IN YEAR PRIOR TO DECENNIAL YEAR	2009	1999	1989	1979
Households	42,026	38,769	31,373	24,834
Less than $2,500	1,726	3,110	1,015	1,291
$2,500 to $4,999	552	698	611	1,031
$5,000 to $9,999	1,278	1,768	1,548	4,143
$10,000 to $14,999	2,007	2,128	2,634	5,153
$15,000 to $19,999	2,217	2,237	1,723	4,059
$20,000 to $24,999	2,418	2,521	3,230	2,853
$25,000 to $29,999	2,387	2,444	2,915	*
$30,000 to $39,999	4,811	4,757	4,807	*
$40,000 to $49,999	4,237	3,998	3,484	*
$50,000 to $59,999	3,782	3,370	*	*
$60,000 to $69,999	3,249	*	*	*
$70,000 to $79,999	2,598	*	*	*
$80,000 to $99,999	3,939	*	*	*
$100,000 or more	6,825	3,951	1,272	*

Source: U.S. Census Bureau Decennial Census reports
2010 Data results from the Advance Report
* Data not collected or data not comparable due to question or response choices changes

Table 22-09 Veteran Status by Service by Comparative Decennial Years, Guam: 2000 and 2010

Characteristic	2010	2000	Percent Change
VETERAN STATUS			
Total Civilian population 18 years and over	102,041	95,510	6.8%
Civilian veterans	8,041	8,962	-10.3%
Has no service-connected disability rating	6,386	*	*
Has a service-connected disability rating	1,655	*	*

Source: U.S Department of Commerce, Census Bureau
* Data not collected in 2000 or data not comparable due to reporting format changes
2010 Data results from the Guam Demograpahic Profile

Table 22-10 . Health Insurance Coverage Status by Comparative Decennial Years, Guam: 2000 and 2010

Characteristic	2010	2000	Percent Change
HEALTH INSURANCE COVERAGE STATUS FOR THE CIVILIAN NONINSTITUTIONALIZED POPULATION			
Total civilian noninstitutionalized population	153,625	*	*
With health insurance coverage	121,160	*	*
[illegible]	[illegible]	*	*
With public health insurance coverage only	34,405	*	*
With both private and public health insurance coverage	11,320	*	*
No health insurance coverage	32,465	*	*
HEALTH INSURANCE COVERAGE STATUS FOR THE CIVILIAN NONINSTITUTIONALIZED POPULATION UNDER 18 YRS			
Total civilian noninstitutionalized population under 18 years	52,250	*	*
With health insurance coverage	44,631	*	*
No health insurance coverage	7,619	*	*

Source: U.S Department of Commerce, Census Bureau
* Data not collected in 2000 or data not comparable due to reporting format changes
2010 Data results from the Guam Demograpahic Profile

COMMITTEE ON RULES

I Mina'trentai Dos na Liheslaturan Guåhan • The 32nd Guam Legislature
155 Hesler Place, Hagåtña, Guam 96910 • *www.guamlegislature.com*
E-mail: *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

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

September 24, 2014

MEMORANDUM

To: **Rennae Meno**
Clerk of the Legislature

Attorney Therese M. Terlaje
Legislative Legal Counsel

From: **Senator Rory J. Respicio**
Chairperson of the Committee on Rules

Subject: **Referral of Bill No. 402-32(COR)**

As the Chairperson of the Committee on Rules, I am forwarding my referral of **Bill No. 402-32(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

I Mina'Trentai Dos Na Liheslaturan Received

Bill Log Sheet

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES
402-32 (COR)	Dennis G. Rodriguez, Jr.	AN ACT TO PROVIDE FOR THE COVERAGE OF BLOOD AND BLOOD DERIVATIVES BY HEALTH INSURANCE COMPANY OR HEALTH CARE PROVIDER CONTRACTED TO PROVIDE PRIVATE SECTOR SMALL OR LARGE GROUP HEALTH PLANS, BY ADDING A NEW § 103123 TO CHAPTER 103, TITLE 11, GUAM CODE ANNOTATED.	9/24/14 9:01 a.m.	09/24/14	Committee on Health & Human Services, Health Insurance Reform, Economic Development, and Senior Citizens			

Joe Mesngon <joe@toduguam.com>

FIRST NOTICE of Public Hearing on Bill 402-32

1 message

Dennis Rodriguez, Jr. <senatordrodriguez@gmail.com> Wed, Oct 8, 2014 at 3:14 PM
To: phnotice@guamlegislature.org, Nicole Ramos <nicoleramos@toduguam.com>

October 8, 2014

MEMORANDUM

To: All Senators, Stakeholders and Media

From: Senator Dennis G. Rodriguez, Jr.

Subject: FIRST NOTICE of Public Hearing on Bill 402-32

Hafa Adai!

The Committee on Health and Human Services, Health Insurance Reform, Economic Development, and Senior Citizens will be conducting a hearing on **Wednesday, October 15, 2014 at 3:30 P.M**. in the Legislature's Public Hearing Room.

The Committee will hear and accept testimony on Bill 402-32 (COR)- An act to provide for the coverage of blood and blood derivatives by a health insurance company or health care provider contracted to provide private sector small or large group health plans, by adding a new section 103123 to Chapter 103, Title 11, Guam Code Annotated.

Written testimonies may be addressed to Sen. Dennis G. Rodriguez, Jr. and submitted via email to senatordrodriguez@gmail.com, or deliver to 176 Serenu Ave. Suite 107, Tamuning or 155 Hesler Place, Hagatna, Guam.

Individuals requiring special accommodations are asked to contact the office of Sen. Rodriguez no later than 48 hours prior to the hearing by calling 649-8638/0511.

Si Yu'os Ma'ase'!

--

Senator Dennis G. Rodriguez, Jr.
I Mina'trentai Dos Na Liheslaturan Guahan
32nd Guam Legislature
176 Serenu Avenue Suite 107
Tamuning, Guam 96913
671.649.8638
http://toduguam.com

Bill No. B402-32 (COR).pdf
64K

Joe Mesngon <joe@toduguam.com>

SECOND NOTICE of Public Hearing on Bill 402-32

1 message

Nicole Ramos <nramos.senatordrodriguez@gmail.com> Fri, Oct 10, 2014 at 2:08 PM
To: phnotice@guamlegislature.org
Cc: Senator Rodriguez <senator@toduguam.com>

October 10, 2014

MEMORANDUM

To: **All Senators, Stakeholders and Media**

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

Subject: **SECOND NOTICE of Public Hearing on Bill 402-32**

Hafa Adai!

The Committee on Health and Human Services, Health Insurance Reform, Economic Development, and Senior Citizens will be conducting a hearing on **Wednesday, October 15, 2014 at 3:30 P.M**. in the Legislature's Public Hearing Room.

The Committee will hear and accept testimony on Bill 402-32 (COR)- An act to provide for the coverage of blood and blood derivatives by a health insurance company or health care provider contracted to provide private sector small or large group health plans, by adding a new section 103123 to Chapter 103, Title 11, Guam Code Annotated.

Written testimonies may be addressed to Sen. Dennis G. Rodriguez, Jr. and submitted via email to senatordrodriguez@gmail.com, or deliver to 176 Serenu Ave. Suite 107, Tamuning or 155 Hesler Place, Hagatna, Guam.

Individuals requiring special accommodations are asked to contact the office of Sen. Rodriguez no later than 48 hours prior to the hearing by calling 649-8638/0511.

Si Yu'os Ma'ase'!

Bill No. B402-32 (COR).pdf
64K

Listserv: phnotice@guamlegislature.org
As of October 2, 2014

aalladi@guampdn.com
action@weareguahan.com
admin2@guamrealtors.com
admin@frankaguonjr.com
admin@guamrealtors.com
admin@leapguam.com
admin@weareguahan.com
agnes@judiwonpat.com
aguon4guam@gmail.com
ahernandez@guamlegislature.org
ajuan@kijifm104.com
alerta.jermaine@gmail.com
aline4families@gmail.com
am800guam@gmail.com
amandalee.shelton@mail.house.gov
amier@mvguam.com
ang.duenas@gmail.com
ataligba@gmail.com
av@guamlegislature.org
avillaverde@guamlegislature.org
avon.guam@gmail.com
baza.matthew@gmail.com
bbautista@spbguam.com
bdydasco@yahoo.com
bernice@tinamunabarnes.com
berthaduenas@guamlegislature.org
betsy@spbguam.com
bmkelman@guampdn.com
brantforguam@gmail.com
breanna.lai@mail.house.gov
bruce.lloyd.media@gmail.com
bshringi@moylans.net
carlsanchez@judiwonpat.com
carlsonc@pstripes.osd.mil
ccastro@guamchamber.com.gu
ccharfauros@guamag.org
ccolbert@guamlegislature.org
ccruz.duenas@gmail.com
chechsantos@gmail.com
cheerfulcatunao@yahoo.com
christine.quinata@takecareasia.com
cipo@guamlegislature.org
clerks@guamlegislature.org
clynt@spbguam.com
committee@frankaguonjr.com
communications@guam.gov
conedera@mikelimtiaco.com
cor@guamlegislature.org
coy@senatorada.org
cyrus@senatorada.org
danireyes@senatorbjcruz.com
darryl@tinamunabarnes.com
david@tinamunabarnes.com

dcrisost@guam.gannett.com
delisleduenas@judiwonpat.com
desori623@hotmail.com
divider_j_jimenez@hotmail.com
dleddy@guamchamber.com.gu
dmgeorge@guampdn.com
dtamondong@guampdn.com
duenasenator@gmail.com
ed@tonyada.com
edelynn1130@hotmail.com
editor@mvguam.com
editor@saipantribune.com
edpocaigue@judiwonpat.com
emqcho@gmail.com
eo@guamrealtors.com
etajalle@guamlegislature.org
evelyn4families@gmail.com
ewinstoni@yahoo.com
fbtorres@judiwonpat.com
floterlaje@gmail.com
frank@judiwonpat.com
frank@mvguam.com
gdumat-ol@guampdn.com
gerry@mvguam.com
gerrypartido@gmail.com
gina@mvguam.com
gktv23@hotmail.com
guadalupeignacio@gmail.com
guam.avon@gmail.com
guam@pstripes.osd.mil
guamnativesun@yahoo.com
hana@guam-shinbun.com
hermina.certeza@senatorbjcruz.com
hill.bruce@abc.net.au
hottips@kuam.com
info@chinesetimesguam.com
janela@mvguam.com
jason@kuam.com
jason4families@gmail.com
jean@tinamunabarnes.com
jennifer.lj.dulla@gmail.com
jennifer@mvguam.com
jespaldonesq@gmail.com
jmesngon.senatordrodriguez@gmail.com
joan@kuam.com
joe@toduguam.com
joesa@guamlegislature.org
john.calvo@noaa.gov
john@kuam.com
jon.calvo@mail.house.gov
jontalk@gmail.com
jpmanuel@gmail.com
jtenorio@guamcourts.org

Listserv: phnotice@guamlegislature.org
As of October 2, 2014

jtyquiengco@spbguam.com
julian.c.janssen@gmail.com
juliette@senatorada.org
kai@spbguam.com
karenc@guamlegislature.org
kalina@tinamunabarnes.com
kcn.kelly@gmail.com
keepinginformed.671@gmail.com
kelly.toves@mail.house.gov
kenq@kuam.com
kevin@spbguam.com
khmg@hbcguam.net
koreannews@guam.net
koreatv@kuentos.guam.net
kstokish@gmail.com
kstonews@ite.net
law@guamag.org
life@guampdn.com
ljalcairo@gmail.com
llmatthews@guampdn.com
louella@mvguam.com
louise@tonyada.com
m.salaila@yahoo.com
mabuhaynews@yahoo.com
mahoquinene@guam.net
malainse@gmail.com
maria.pangelinan@gec.guam.gov
mary@guamlegislature.org
maryfejeran@gmail.com
mbordallo.duenas@gmail.com
mcarlson@guamlegislature.org
mcpherson.kathryn@abc.net.au
media@frankaguonjr.com
menchu@toduguam.com
mike@mikelimtiaco.com
mindy@kuam.com
mis@guamlegislature.org
miseke@mcvguam.com
mlwheeler2000@yahoo.com
mmafnas@guamlegislature.org
monty.mcdowell@amiguam.com
mspeps4873@gmail.com
mvariety@pticom.com
mwatanabe@guampdn.com
natasha@toduguam.com
news@guampdn.com
news@spbguam.com
nick@kuam.com
nicoleramos@toduguam.com
norman.aguilar@guamcc.edu
nsantos@guamlegislature.org
odngirairikl@guampdn.com
office@senatorada.org

officeassistant@frankaguonjr.com
oliviampalacios@gmail.com
onlyonguam@acubedink.com
orleen@senatorbjcruz.com
pacificjournalist@gmail.com
parroyo@k57.com
pdkprg@gmail.com
pete@tonyada.com
phillipsguam@gmail.com
policy@frankaguonjr.com
publisher@glimpsesofguam.com
rennae@guamlegislature.org
responsibleguam@gmail.com
rfteehan@yahoo.com
rgibson@k57.com
richdevera@gmail.com
ricknauta@hitradio100.com
rlimtiaco@guampdn.com
rolly@ktkb.com
roryforguam@gmail.com
rowena@senatormorrison.com
santos.duenas@gmail.com
senator@senatorbjcruz.com
senator@tinamunabarnes.com
senatorbrantmccreadie@gmail.com
senatordrodriguez@gmail.com
senatorsannicolas@gmail.com
senatortonyada@guamlegislature.org
sgflores@tinamunabarnes.com
sgtarms@guamlegislature.org
sitarose2@yahoo.com
slimtiaco@guampdn.com
smendiola@guamlegislature.org
sonedera-salas@guamlegislature.org
speaker@judiwonpat.com
staff@frankaguonjr.com
stephaniemendiola@gmail.com
talicto@tinamunabarnes.com
tanya4families@gmail.com
tasigirl@gmal.com
tcastro@guam.net
telo.taitague@guam.gov
tessa@senatorbjcruz.com
thebigshow@guamcell.net
thebigshow@k57.com
therese.hart.writer@gmail.com
therese@judiwonpat.com
tinamunabarnes@gmail.com
tjtaitano@cs.com
tom@senatorada.org
tommy@senatormorrison.com
tony@senatorada.org
tony@tonyada.com

Listserv: phnotice@guamlegislature.org
As of October 2, 2014

trittent@pstripes.osd.mil
tterlaje@guam.net
uperez@senbenp.com
vejohntorres@guamlegislature.org
vincent@tinamunabarnes.com
vleonguerrero@judiwonpat.com

xiosormd@gmail.com
xiosormd@yahoo.com
ylee2@guam.gannett.com
zita@mvguam.com
zpalomo@guamag.org

SENATOR DENNIS G. RODRIGUEZ, JR.

PUBLIC HEARING AGENDA

Wednesday, October 15, 2014 3:30pm Public Hearing Room, *I Liheslatura*

I. Call to order

II. Items for public consideration:

- **Bill 402-32 (COR)-** An act to provide for the coverage of blood and blood derivatives by health insurance company or health care provider contracted to provide private sector small or large group health plans, by adding a new § 103123 to Chapter 103, Title 11, Guam Code Annotated. Introduced by Sen. Dennis G. Rodriguez, Jr.

III. Adjournment

Thank you for your participation in today's hearing.

Chairman, Committee on Health & Human Services, Health Insurance Reform, Economic Development, & Senior Citizens
Ufisinan Todu Guam • I Mina' Trenta Dos Na Liheslaturan Guåhan • 32nd Guam Legislature
176 Serenu Avenue, Suite 107, Tamuning, Guam 96931 / Telephone: 671-649-TODU (8638) / Facsimile: 671-649-0520
E-mail: senatordrodriguez@gmail.com / www.toduguam.com