



# Guam Memorial Hospital Authority Aturidåt Espetåt Mimuriåt Guåhan



850 GOV. CARLOS CAMACHO ROAD  
OKA, TAMUNING, GUAM 96913  
TEL: 647-2444 or 647-2330  
FAX: (671) 649-0145

May 4, 2015

VIA HAND DELIVERY

The Honorable Judith T. Won Pat, Ed. D.  
Senator and Legislative Speaker  
Chair of Committee on Higher Education, Culture,  
Public Libraries and Women's Affairs  
Thirty-Third Guam Legislature  
Ste. 201, 155 Hesler Place  
Hagåtña, Guam 96910

33-15-0421  
Office of the Speaker  
Judith T. Won Pat, Ed.D

2015 MAY -7 AM 11-22

Date: 05/07/2015  
Time: 9:59 AM  
Received by: CFA

Dear Speaker Won Pat:

*Buenas yan Saludu!* Pursuant to Public Law 29-02, Chapter V, Part IX, Section 2, §3131, the Hospital has conducted an annual public hearing on existing fee schedules on March 30, 2015 and submits herewith the package for reporting requirement. Due to the volume of the Hospital's existing fee schedules, we are unable to provide a hard copy. The existing fee schedules are available on our website at [www.gmha.org](http://www.gmha.org) under Patient Portal – GMHA Fee Schedule.

Should you require any further information, please feel free to contact me at 647-2418.

*Dangkulo Na Agradesimiento. Put respetu.*

Senseramente,

 5/5/15  
FLORENCIO T. LIZAMA, MD  
Interim Hospital Administrator

 FTL/bm/cc  
Attachments  
Admin Repository #15-1498.1


0421


*I MINA'BENTE NUEBI NA LIHESLATURAN GUÅHAN*  
2007 (FIRST) Regular Session

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


This is to certify that Bill No. 74(EC), "AN ACT TO AMEND PUBLIC LAW 28-149 AND PUBLIC LAW 28-150, RELATIVE TO MAKING APPROPRIATIONS FOR THE OPERATIONS OF THE EXECUTIVE, LEGISLATIVE AND JUDICIAL BRANCHES OF THE GOVERNMENT OF GUAM FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2007; TO AMEND THE GOVERNMENT'S REVENUE ESTIMATE FOR FISCAL YEAR 2007; TO AMEND CERTAIN FEES, CHARGES AND PENALTIES OF THE GOVERNMENT OF GUAM; AND TO ENACTING MISCELLANEOUS PROVISIONS," was on the 4<sup>th</sup> day of May, 2007, duly and regularly passed.

Attested:

  
\_\_\_\_\_  
Ray Tenorio  
Senator and Secretary of the Legislature

  
\_\_\_\_\_  
Mark Forbes  
Speaker

-----  
This Act was received by *I Maga'lahaen Guåhan* this 7 day of May, 2007, at  
11:30 o'clock A.M.

  
\_\_\_\_\_  
Assistant Staff Officer  
*Maga'lahaen's* Office

APPROVED:

  
\_\_\_\_\_  
FELIX P. CAMACHO  
*I Maga'lahaen Guåhan*

Date: 18 MAY 2007

Public Law No. 29-02

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**CHAPTER V**

**PART IX**

**Section 1. Effective Date.** (a) The effective date for all fees, charges, penalties, provision, exemptions and moratoriums, excluding any de-appropriation penalties, contained in this Act *shall* be May 1, 2007.

(b) **Public Notification.** The Department of Revenue and Taxation, the Guam Fire Department, the Department of Land Management, the Department of Labor, the Professional Engineers, Architects and Land Surveyors Board, the Contractors License Board, the Department of Parks and Recreation, and the Guam Police Department *shall* provide proper and timely public notice to the community regarding the new or adjusted fees, fines and penalties imposed by this Act. The public notice *shall* include, but *not* be limited to, print media of general circulation and the agency's respective website. Said public notice *shall* be published and posted *no later than* ten (10) working days after enactment of this Act.

**Section 2. Annual Public Hearing Requirements on Fee Schedules.** A new §3131 is *added* to Division 1, Chapter 3, Title 5 GCA as follows:

**“§3131. Annual Public Hearing Requirements on Fee Schedules.** All departments and agencies of the government of Guam that administer and collect fees for government services *shall* conduct a public hearing on existing fee schedules to receive and ascertain public opinion thereon within sixty (60) days of enactment of this Act. Beginning in 2008, all such departments and agencies *shall* conduct such hearings on an annual basis prior to April 1 of each year and *shall* regularly adjust existing fees, pursuant to the Administrative Adjudication Act, *or* implement new fees for the purpose of cost recovery.”



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## PRESS RELEASE

FOR IMMEDIATE RELEASE – March 20, 2015

### NOTICE OF PUBLIC HEARING

As mandated by Public Law 29-02, Chapter V, Part IX, Section 2, §3131, NOTICE IS HEREBY GIVEN that Guam Memorial Hospital Authority (GMHA) will be conducting a Public Hearing on existing hospital rates, fees, and charges. Documents relating to this proceeding are available on our website at [www.gmha.org](http://www.gmha.org) under Patient Portal – GMHA Fee Schedule.

Pursuant to Public Law 26-66, GMHA will also introduce at this public hearing the hospital's new rates, fees, and charges. Documents relating to this proceeding are available on our website at [www.gmha.org](http://www.gmha.org) under Public Information - GMHA Press Release – GMHA Public Hearing. Should you have any questions, please feel free to contact *Mr. Frumen Patacsil*, Hospital Quality Improvement Specialist at 647-2214 or *Ms. Benita A. Manglona*, Chief Financial Officer at 647-2934.

**Date:** Monday, March 30, 2015  
**Time:** 10:00 a.m.  
**Place:** GMHA Daniel L. Webb Conference Room, 1<sup>st</sup> Floor, Administration Wing, 850 Gov Carlos Camacho Road, Oka Tamuning, Guam.

Individuals requiring special accommodations should contact Toni Villavicencio, ADA Coordinator, at 647-2218/2418 to make appropriate arrangements.

#### **DISTRIBUTION:**

Board of Trustees  
Governor Edward J.B. Calvo  
Congresswoman Madeleine Bordallo  
Speaker Judith T. Won Pat  
Senator Dennis G. Rodriguez, Jr., Committee on Health,  
Economic Development, Homeland Security, and Senior Citizens  
Office of the Attorney General  
GMHA President of the Medical Staff  
GMHA Medical Staff  
GMHA Departments / Units  
Pacific Daily News – Observation Post  
Marianas Variety  
Pacific News Center  
Newstalk K57 / Power 98  
KUAM TV / Radio  
KTWG KOKU  
KPRG KSTO  
KGTF GMHA Website



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## **PUBLIC HEARING** **HOSPITAL EXISTING FEES AND NEW FEES** Monday, March 30, 2015 GMHA Daniel L. Webb Conference Room 10:00 a.m.

### **AGENDA**

- I. Introduction of Public, GMHA Management and Staff
- II. Opening Remarks
- III. Purpose of the Public Hearing
- IV. Presentation of Proposed Fees
- V. Testimonies from the Public
- VI. Questions and Answers on Proposed Fees
- VII. Closing Remarks by the Presiding Hearing Officer
- VIII. Adjournment

**Thank You For Your Active Participation**



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## PUBLIC HEARING HOSPITAL EXISTING FEES AND NEW FEES Monday, March 30, 2015 GMHA Daniel L. Webb Conference Room 10:00 a.m.

### Attendance Sheet

| NO. | NAME                                   | ORGANIZATION  | CONTACT NO.      |
|-----|--|---------------|------------------|
| 1   | Ongele m <sup>c</sup> Nat <sup>t</sup> | GRMC          | 649-4764         |
| 2   | Charlene B. Rodriguez                  | GRMC          | 649-4764         |
| 3   | Mary Ann Palomo                        | GMHA - Fiscal | X2381            |
| 4   | Frueren A. Patassi                     | GMHA - Fiscal | X 2214           |
| 5   | Candy W.M. Chen                        | GMHA - Fiscal | X. 2190          |
| 6   | Alexy Dacanay                          | Select Care   | 477-9808         |
| 7   | Frank Campillo                         | "             | "                |
| 8   | John Lizama                            | "             | "                |
| 9   | Edna Cartmell                          | STAYWELL      | 477-5091         |
| 10  | Tell Lawson                            | TakeCare      | 488 7107         |
| 11  | Alicia Iseke                           | TakeCare      | 488-7076         |
| 12  | Mathew Eclavea                         | TakeCare      | 487-7102         |
| 13  | Gordon Mizco                           | GMHA          | 647-2203         |
| 14  | Cris Ortiz                             | GRMC          | 649-4764 Ext 101 |
| 15  | Ricky Martin                           | TakeCare      | 477-6129         |
| 16  | Julie Perez                            | GMH           | 647-2213         |
| 17  | Anthony Mendez                         | Staywell      | 477 5091         |
| 18  |  |               |                  |
| 19  |  |               |                  |



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## MINUTES

In accordance with the Administrative Adjudication Law, a public hearing was held on Monday, March 30, 2015, at 10:00 a.m. in the GMHA Daniel L. Webb Conference Room, to solicit public opinion on the Hospital's 8,177 existing fees and 228 new rates, fees, and charges.

Note: Copies of the Public Hearing Agenda and the Listing of New Rates, Fees, and Charges were made available to all attendees.

### **I. Introduction**

Ms. MaryAnn Palomo introduced herself as the Presiding Public Hearing Officer for this public hearing. Our public hearing recorder was Mrs. Candy Chan. Ms. Palomo began conducting the public hearing at 10:05 a.m.

### **II. Opening Remarks**

On behalf of the GMHA Board of Trustees, the Interim Hospital Administrator/CEO, the Chief Financial Officer, and the GMHA employees, Ms. Palomo welcomed the public for attending the public hearing. She then commenced presenting the purpose of the public hearing today.

### **III. Purpose of the Public Hearing**

As mandated by Public Law 29-02, Chapter V, Part IX, Section 2, §3131 enacted on May 18, 2007, all government departments and agencies shall conduct a public hearing, on an annual basis prior to April 1, on existing fee schedules and shall regularly adjust existing fees, pursuant to the Administrative Adjudication Act, or implement new fees for the purpose of cost recovery.

In accordance with the enactment of Public Law 26-66 in December 2001, which removed the rate-setting jurisdiction from the PUC and gave it to the GMHA Board of Trustees:

#### **10 GCA §80109 Hospital Rates**

"(c) The Authority may establish interim fees for new, un-tariffed services, medication and supplies, without prior legislative approval and without compliance with the Administrative Adjudication Law; provided, that: (1) the interim fees are consistent with the Authority's Net Revenue Enhancement Engagement Pricing Model, as prepared by Deloitte & Touche, dated February 7, 1992, or such other protocol as may be approved by the Board of Trustees; and (2) a petition for permanent approval of the interim fees is filed by the Authority with I Liheslaturan Guahan within three (3) months of the Authority's establishment of the interim fee."

Ms. Palomo stated that in compliance with the Administrative Adjudication Law and further Guam Code Annotated directives, the Hospital did publish in the Pacific Daily News and the Marianas Variety the announcement of this public hearing and distributed the Notice of Public Hearing to all Hospital departments and units and also posted in public areas within the Hospital.

In addition, the Hospital also sent the Notice of Public Hearing via facsimiles and/or electronic mails to various media organizations and the Governor’s Office, the Congresswoman, and to our elected Senators of the 33<sup>rd</sup> Guam Legislature. The Hospital also sent letters to the third party payers via facsimiles together with the listing of new fee items, inviting them to this public hearing.

The Hospital also posted the Notice of Public Hearing, the listing of new fee items and the existing fee schedules on its official website as mandated by public law.

#### **IV. Presentation of Summary of New Fee Items**

Mr. Frumen Patacsil introduced himself being in charge of the Hospital Charge Library. He presented at this public hearing a total of 8,177 existing Hospital fees, which were already adjudicated by the Legislature. Due to the volume of the existing fee schedules, we were unable to prepare copies for all attendees. The fee schedule is available on our website at [www.gmha.org](http://www.gmha.org) under Patient Portal – GMHA Fee Schedule. It is in PDF format and may be downloaded.

He also presented at this public hearing 228 new fees items. The new fee items were submitted by various hospital departments from December 2013 to February 2015. The summary of these new fee items are as follows:

|               | Fee Items                | Departments         | Description                           |
|---------------|--------------------------|---------------------|---------------------------------------|
| <b>TOTAL:</b> | 10                       | Urgent Care         | Services                              |
|               | 25                       | Nursing             | Services                              |
|               | 8                        | Labor & Delivery    | Supplies                              |
|               | 10                       | Central Supply Room | Supplies                              |
|               | 66                       | Radiology           | Supplies/Services                     |
|               | 40                       | Pharmacy            | Pharmaceutical items                  |
|               | 4                        | Respiratory         | Supplies                              |
|               | 41                       | Operating Room      | Supplies                              |
|               | 13                       | Laboratory          | Services                              |
|               | 10                       | Special Services    | Supplies                              |
|               | 1                        | Telemetry           | Room and Board<br>Observation Service |
|               | <b>228</b> New Fee Items |                     |                                       |

He also informed that, effective April 1, 2015, the Hospital would also be updating 8,274 professional fees in our Charge Library. The professional fee schedule is available on our website under Patient Portal – Professional Fee Schedule.



## **V. Testimonies from the Public**

Ms. Palomo noted that no attendees from the public had signed up for testimony. She informed that the public could submit a written testimony to the Hospital Administrator/CEO within five (5) days after this public hearing. These testimonies would be incorporated into the submission package to the 33<sup>rd</sup> Guam Legislature, subsequent to the approval by the GMHA Board of Trustees.

## **VI. Questions and Answers on the Proposed New Rates, Fees and Charges and Existing Fee Schedules**

Ms. Palomo commenced soliciting from the public for any questions they might have concerning the 8,177 existing fees and the 228 new fee items presented at this public hearing today.

Ricky Martin of TakeCare Insurance inquired if the Hospital's fees were based on current Medicare rate. Mr. Patacsil responded that the Hospital is using the Deloitte & Touche pricing model based on the landed cost multiplied by mark up. Mr. Martin requested if the pricing model was available for review. Mr. Patacsil responded that it is available for review.

Jeffrey Larsen of Takecare inquired if there is an equivalent in terms of Medicare PFR or some other methodology adjustment that would be analogues to Deloitte's model or audit. Mr. Patacsil responded that Deloitte did not do a Medicare comparison but an analysis for the Hospital. He would conduct a research on the equivalent fees and provide a response.

Anthony Mendiola of StayWell inquired about the adjustment of professional fee, especially if Anesthesiology service would be affected. Mr. Patacsil responded that Anesthesiology service would not be affected.

Mr. Larsen also inquired if the professional fees were greater than 5%, or capped at 5%. Mr. Patacsil responded that the Hospital is using the 2015 Physicians' Fee Reference (PFR) at 50<sup>th</sup> percentile plus geographic multiplier, but would not include the additional 5%.

Ms. Palomo added that the 5% across the board increase is only on hospital/facility fees and would not affect the professional fees. Mr. Patacsil would provide his confirmation.

Frank Campillo of Selectcare requested the Hospital to notify the payers at least a quarter in advance for any proposed fees or fee increase before implementation. Mr. Mizusawa responded that the Hospital would present the request to the Board of Trustees to make the decision and would provide a response. He added that for next year, it is reasonable for the Hospital to disclose to the insurers any fee increase to the insurance 90 days in advance to ensure they have time to assure the fees are accurate. He would present to the Board of Trustees for fees disclosure approval for next year or any other fee increases.

Mr. Larsen reminded that the Hospital had the 90-day agreement with the insurers for the Urgent Care fees. With the new set of fees in place, he asked if the Hospital would bring the insurers back for discussion and if this set of new fees were higher than the originally agreed fees. Mr. Patacsil responded that the fees should be at Medicare rates +30%. He would verify and

confirm. Ms. Palomo added that she would discuss with the Chief Financial Officer as to scheduling the meeting with the insurers.

Mr. Larsen also inquired if the Urgent Care fees proposed 90 days ago and the new fees were set for the rest of the fiscal year. Dr. Lizama responded that these fees were subject to re-evaluation and would depend on the Hospital's decision how to move forward. He indicated that we would need to have a contract based on the agreement. He would discuss with the Hospital's Chief Financial Officer to develop the contract that would allow us to move forward as a participating urgent care provider. The Hospital would provide a response later.

Mr. Larsen expressed his statement that the Hospital's proposed new fees are keeping pace with market rates, especially for those new services that replace the old products. Dr. Lizama commented that he did not know about that statement.

Mr. Campillo inquired if the Telemetry Observation Room and Board rate at \$97.50 per hour was correct. Mr. Patacsil stated that it should have been a pro-rate of about \$31.00+ per hour, which he would be amending the rate as soon as possible.

Ms. Palomo reminded that the public would have five days to submit their written testimonies to the Hospital Administrator and that Mr. Patacsil would follow up on some of the questions and would provide a response to the insurers.

## **VII. Closing Remarks**


In closing, Ms. Palomo thanked everyone for making the time in their busy schedules to attend this public hearing. We would notify in advance of any future public hearings regarding fees.

## **VIII. Adjournment**

Ms. Palomo called the hearing to adjourn at 10:48 a.m.


\*Note: All respective parties were informed of the date, time and place of this public hearing prior to the hearing. For record purpose, Vice Speaker Benjamin J.F. Cruz submitted his written testimony on April 3, 2015.

Transcribed By:

  
Wai Man H. Chan "Candy"  
GMHA, Administrative Assistant

04/07/15  
Date

Approved By:

  
MaryAnn Palomo  
GMHA Presiding Public Hearing Officer